

ORDINANCE

WHEREAS, Divvy is Chicago's shared micromobility system serving residents and visitors across the entire city, a system including pedal bikes, electric-assist bikes, and electric scooters; and

WHEREAS, the City Council of the City of Chicago passed an ordinance on April 18, 2012, granting the City's Commissioner of Transportation ("the Commissioner") the authority to enter into an operator agreement (the "Agreement") with Alta Bicycle Share, Inc., later, through change of control and change of name, Motivate International Inc., now, through acquisition and change of name on or about November 30, 2018, Lyft Bikes and Scooters, LLC ("Lyft" or the "Operator" or "Contractor") for the purchase, operation, and management of a bicycle sharing system (the "Ordinance"); and

WHEREAS, pursuant to the Ordinance, the City and Operator entered into the Agreement for the purchase and operation of a bicycle sharing system (the "System") on or about January 24, 2013; in which the City paid the Operator to purchase, install, and operate the System; and

WHEREAS, on or about May 8, 2019, the parties entered into an amendment to the Agreement known as "Amendment 8", which made major changes to the structure of the Agreement, as previously amended to that time, including: (i) introducing in the System e-bicycles, dockless bicycles, upgraded station infrastructure, electrified stations for charging, and digital ad space; (ii) placing the financial burden of expansion (including capital costs), operation, and maintenance of the System on the Operator; (iii) creating a stream of payments from the Operator to the City that more accurately represented the market value of System sponsorship and advertising opportunities; (iv) creating new service level agreements so that the City can maintain control over System quality; and (v) granting the Operator exclusive rights to offer bicycle sharing on the public right of way; and

WHEREAS, Lyft, as the City's system Operator, continues to provide a variety of services required to run a large shared micromobility system, such as: (i) fleet management; (ii) station installations and maintenance; (iii) customer service covering rentals, memberships, and technology systems; and (iv) the provision of equity programs such as Divvy for Everyone; and

WHEREAS, the existing contract with Lyft as the City's system Operator expires in January 2028, and City Council approval is required to enter into the Third Extension Period, as contemplated in Amendment 8, for an extension of operating services from 2028 to 2033; and

WHEREAS, the parties now desire to again amend the Agreement, as previously amended (the "Amendment" or "Amendment 10"), in order to, among other provisions: (i) extend the term of the agreement to January 23, 2033; (ii) expand the e-bicycle and scooter fleet by thousands while simultaneously growing the network of docks; (iii) maintain the Divvy for Everyone program and discounts for trips starting and ending in Equity Priority Areas; (iv) provide pricing stability and improved system reliability for all riders; and (v) numerous other benefits to the City as described above and in Amendment 10; now, therefore,

Be it ordained by the City Council of the City of Chicago, as follows:

1. **Incorporation of Recitals.** The recitals to this Ordinance are incorporated herein.

2. **Authorization of Amendment of Agreement with Operator.** The Commissioner is authorized to negotiate and enter into an amendment to the Agreement with the Operator, on substantially the terms as set forth on Exhibit A attached hereto, with such changes and additional terms as are approved by the Commissioner.
3. **Disposition of Certain Equipment.** The Commissioner is further authorized to transfer or otherwise dispose of City owned System equipment, consistent with the law.
4. **Revenues.** All revenues generated from the System will be used to fund the expenses of the System and for any other Title 23 Federal-aid eligible transportation improvements or programs, or as required by law.
5. **Effective Date.** This Ordinance shall be effective upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows: