



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: September 11, 2012

To: Honorable Mayor & City Council

From: Aaron Kunz, Deputy Director of Transportation

Subject: Sponsorship Policies For Potential Westside Cities Bicycle Sharing Program

Attachments:

1. Examples of Bicycle Sponsorship programs
2. Bicycle Share Fact Sheet

INTRODUCTION

This report provides an update on the Westside Cities Council of Government's (WSCOG) efforts to pursue a bicycle sharing program and requests City Council direction on the concept of pursuing a private or non-profit agency sponsor that would have naming rights to place their logos on bicycle stations in the public right-of-way and on bicycles.

DISCUSSION

Bicycle sharing programs provide short-term bicycle access for small trips that allows riders to rent a bicycle for short periods of time and travel distances of 1-2 miles or less and provide a complement to public transit and other mobility modes. With a bicycle sharing program, a rider may reserve a bicycle at one station and drop it off at another location. Attached is a bicycle sharing fact sheet.

While bicycle sharing programs have been in place internationally for several years, they are relatively new in the United States. Some of the most well-known programs in the U.S. include Washington D.C., Boston and Minneapolis. New York City is in the process of implementing what will be the largest bicycle sharing program in the United States with initially 7000 bicycles at 420 stations with plans to expand to 10,000 bicycles at 600 stations. The roll-out for the New York City bicycle sharing program originally planned for the past summer has been postponed until next spring.

In Southern California, the Cities of Anaheim and Long Beach have recently entered into agreements with Bike Nation to implement bicycle sharing programs that rely on billboards/advertisements to fund the program and provide additional revenue for the City. City

of Los Angeles Mayor Antonio Villaraigosa announced plans for Bike Nation bicycle sharing programs in Los Angeles. However, no agreement has been developed. To date, Bike Nation has not started service in any City.

On the Westside of Los Angeles, in addition to the Los Angeles Mayor's office pursuing a program with Bike Nation, the City of Santa Monica has a grant for start-up of a bicycle sharing program and plans to issue a Request for Proposal (RFP) within the next six months. The City of Santa Monica has offered to include in the RFP alternatives to expand the bicycle sharing program to other WSCOG Cities. The City of West Hollywood is also in discussions with a firm to provide bicycle sharing within its jurisdiction that would include advertising within the public right-of-way. WSCOG staff's goal is to have a program that provides and allows inter-operability (e.g., pick-up and drop-off of bicycles) among the multiple jurisdictions.

Per direction of the WSCOG Governing Board, the Cities of Beverly Hills, Culver City, Santa Monica and West Hollywood issued a Request for Information (RFI) to obtain information about a possible joint bicycle sharing program. The City of Los Angeles did not participate due to on-going negotiations with Bike Nation. WSCOG staff reported initial findings from the RFI at the July 26, 2012 meeting and focused on the funding of programs. For a bicycle sharing program, the average start-up cost is \$46,000 per station. Annual operating costs are approximately \$1,800 per bicycle plus management, promotion and administrative costs of the program. As with almost all public transportation, user fees alone do not cover the entire cost of start-up or operations of the bicycle sharing program. Staff identified the following models for funding bicycle sharing programs:

- Grant/public subsidy for initial start-up; user fees for on-going operations (model successful in Washington, D.C)
- Private or non-profit agency sponsor (e.g., Citibank in New York, Barclays Bank in London, Kaiser Permanente in Denver) plus user fees.
- Sponsor, user fees and station advertising (similar to bus shelters in West Hollywood and Los Angeles). This is the model in New York and planned for Long Beach. With this model, additional revenue is generated for the municipality.

Of the four Cities participating in the RFI effort, only West Hollywood currently allows billboard/advertising in the public right-of-way (e.g., transit shelters). Beverly Hills, Culver City and Santa Monica do not currently allow billboard/advertising in the public right-of-way. At the July 26, 2012 meeting, the WSCOG Governing Board agreed that each of the three cities that do not allow billboard/advertising in the public right-of-way to confer with their respective City Councils on the viability of a future bicycle sharing program with a single sponsor providing their logos on stations and bicycles within their Cities with the goal of a revenue neutral program. Each City individually would decide if billboard/advertising beyond what the single sponsor provides is allowed on stations within their jurisdictions.

Staff has conferred with the City Attorney's Office and the placement of a single sponsor logo by a private or non-profit agency on a future bicycle station within the public right-of-way and on bicycles would not conflict with the City's policy of not allowing billboard advertising.

FISCAL IMPACT

The goal of the WSCOG bicycle sharing program with sponsorship by a private or non-profit agency would be a revenue neutral program. A preliminary estimate for a bicycle sharing program for Beverly Hills assuming five stations with 10 bicycles at each station would be:

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Initial start-up costs: \$230,000

Annual Operating costs: \$90,000

Annual marketing/administrative Costs: unknown

STAFF RECOMMENDATION

Staff recommends that the City Council support a WSCOG bicycle sharing program with a single private or non-profit sponsor that places their logos on the bicycle stations and on bicycles.

 _____
David Gustavson
Approved By

Attachment 1

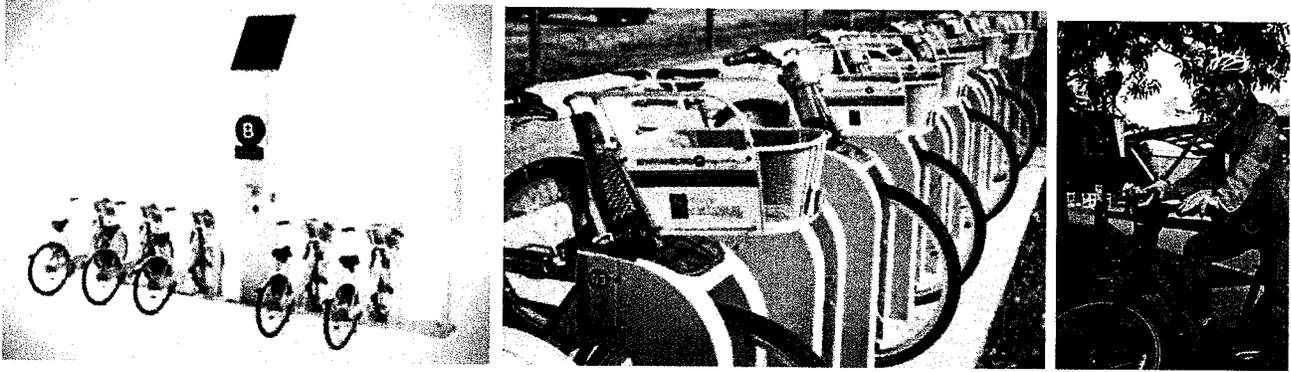
Bicycle Sharing – New York



Bicycle Sharing - London



Attachment 2



What is Bike Sharing

- Short-term bicycle access;
- Provides users with sustainable and environmentally-friendly form of public transportation;
- Targets daily mobility (trips between 1-2 miles or less);
- Membership required to participate, daily, weekly, monthly or annual membership basis, user fee for rental (rental 30-60 minutes or less is free, low cost, price raises significantly for longer use);
- Bicycle reservations, pick-up, and drop-off are self-service (IT-based);

We should start a bike share system! Why?

- Spontaneous Bike Trips
- Increased mobility options
- Reduce traffic congestion
- Complement transit and other modes
- Environmental, social, economic and health benefits

Bike Share Popularity

- Close to 160 systems throughout the world in over 120 countries;
- Increasing popularity in the US with 19 systems operating across the US, 20 additional systems expected to launch within the next year;
- Systems range from small scale systems with less than ten bike stations to bigger systems in DC, Boston, Madison, Portland, St. Paul, Miami, Omaha, Chicago and Denver with station numbers ranging from 20-150;
- Number of bikes per station varies -average between 5-10;
- Ridership [small system(100-200 bikes/15-20 stations)] Averages 100 trips/day, annually;
- Trip distribution varies: 26% one-way, 42% round-trip, 21% both.

Components

- Planning
- Funding
- Operation
- Marketing

Planning Considerations

- Pilot program or full service program
- Locations and criteria development
 - Number of stations
 - Location of Bicycle Docking Stations (small/large—stations average 30-40 feet) in PROW
 - Local Service – destinations (1/4 - 1/2 mile spacing)
 - Regional Connectivity- destinations (bordered by LA and Beverly Hills)
 - Transit Connectivity (last mile connections)
 - Population/Retail/Job Density Considerations
 - Tourist Attractions and Amenities
 - Topography
- Bicycle Facilities to support increased bicycle use
- Safety (helmets, bikes on sidewalks)
- Coordination with Private Development
- Liability

Funding and Financial Viability

- Average Equipment Cost Estimate (bikes and stations) \$46,000 per station
\$552,000 for 12 stations
- Average Annual Operating Cost Estimate (maintenance of bikes, bike redistribution, customer service, membership, etc.) \$1,800 per bike
- Management, Promotion and Administrative Costs \$?

Marketing of Program

- Education
- Partnerships
- Website/Social Media
- Bike Safety Resources

Business Models

- City owned and operated
- Advertising and Sponsorship Funded/Separate Operator
- Non-profit owned/operated
- For-profit business
- Combination

Funding Sources

- Government Grants
- Foundation/Private grants
- Company Sponsorship and/or Advertising

Coordination Efforts

- Westside Cities Council of Governments (Santa Monica Grant)
- Metro
- City of LA

WSCOG Planning and Coordination Discussions

Compatibility of different systems with respect to:

- Equipment/technology
- Bicycle Drop off
- Payment/duration of rental period/technology
- Membership fee
- Advertising & Sponsorship - Regional Sponsor from Private Company for bicycles
Sponsorship on bike only - Decision pending
- Discussion of me-too clause for system roll-outs in different jurisdictions

METRO

Given Metro's regional role as the County's Transportation Planning agency, the potential role for Metro in a countywide bike share program is as follows:

- Create Countywide Working Group
- Develop Interagency Agreement(s)
- Develop implementation plan, market/operating plan
- Work with Countywide Group to select technologies for an integrated countywide network (to access bike share and bicycle parking stations)
- Work with jurisdictions to Identify possible funding sources (including private sector participants)
- Provide space at Metro transit stations for bike share docking stations

For more information:

<http://nacto.org/bike-share-workshop-presentations/>

http://www.metro.net/about_us/committees/images/tac_presentation_feb_2012_Bike_Share_Concept.pdf

Fact Sheet prepared by City of West Hollywood