



STAFF REPORT

Meeting Date: January 6, 2015

To: Honorable Mayor & City Council

From: Aaron Kunz, Deputy Director of Transportation
Martha Eros, Transportation Planner

Subject: Bicycle Sharing Program

Attachments: 1. Smart Bicycle Graphics

INTRODUCTION

This report provides an outline of the City of Santa Monica's bicycle sharing ("bikeshare") program and estimated costs, timeline, and actions needed to implement a similar program in Beverly Hills. Per discussion at the Westside Cities Council of Governments (WSCOG), the City of Santa Monica's agreement for the bikeshare program is structured to allow all WSCOG member Cities to participate under the same terms and conditions. Staff seeks direction if the City Council wishes to proceed with steps needed to bring a bikeshare program to the City of Beverly Hills at this time.

BACKGROUND

The City of Santa Monica will be the first city in Los Angeles County to roll-out a bikeshare program. On November 11, 2014, the Santa Monica City Council authorized staff to move forward with implementation of a citywide bikeshare system. Santa Monica staff anticipates the bikeshare system will be operational by summer 2015.

Both the Westside Cities Council of Governments (WSCOG) and the Los Angeles County Metropolitan Transportation Authority (Metro) have initiated studies to bring a bikeshare program to the Los Angeles region. In recent years, popular bikeshare programs have started in U.S. Cities (e.g., Boston, New York, Washington D.C. and Chicago) and in several European cities.

In Fall 2013, the City of Santa Monica issued a Request for Proposal (RFP) for installation and operations of a bikeshare program. All Westside Cities participated in the vendor selection process. The RFP was structured to provide other Westside Cities the opportunity to join the program with approval of a comparable operating cost and revenue structure, and securing of capital and operating funding for the program.

On November 11, 2014, the Santa Monica City Council authorized staff to move forward with immediate implementation of a citywide bikeshare system and awarded a \$10.4 million, 8-year contract to *CycleHop* for the purchase, installation and operation of a bikeshare system that includes 500 bicycles and 1,000 racks at approximately 75 locations (both station hubs and single racks) throughout the central and outlying areas of Santa Monica. The bikeshare system will be publicly owned by the City of Santa Monica and privately operated by *CycleHop* for eight years, at which time a contract extension could be negotiated.

CycleHop contract services include vendor program administration, technical support and maintenance of equipment, daily pick-up and distribution of bicycles to ensure each site has the required number of bicycles for operation. The contract costs include equipment (bicycle, bike rack, solar kiosk, and maps), installation/setup and annual operation. The operation cost is expected to be offset by user fees and corporate sponsorship of the bikeshare system. In addition to vendor administration/personnel (10 full-time and 4 part-time staff for a 500 bike system), the City of Santa Monica will add 1.5 full time equivalent (FTE) positions (1 program manager and 0.5 administration/clerical support) for internal program management. All maintenance services are included in the contract costs in the agreement with *Cyclehop*.

The “smart-bike” equipment and technology allows for flexible station size and use of public bike racks to secure bicycles. Each smart bike includes a card reader device that allows the user to key in membership information to activate the system. Advance bike reservations, adding value to a membership card, and locating bike stations/racks can be done with smart phone technology or online services. The bicycle fleet is equipped with self-locking devices and a GPS tracking system that will provide the City and vendor with real-time information of available resources.

Santa Monica staff has started reviewing concepts for system identification for the color and system name and is seeking corporate sponsorship to supplement anticipated user fees to provide additional financial support for the bikeshare system. It is anticipated that corporate sponsorship would be limited to a single sponsor system-wide, with design concepts to be determined.

Metro Bikeshare Planning

The Los Angeles County Metropolitan Transportation Authority (Metro) is working on regional bikeshare planning to provide first-last mile connectivity at rail and transit centers. Three key areas identified by Metro as “area readiness” include Downtown Los Angeles, Pasadena and Santa Monica based on existing bicycle infrastructure (bicycle routes, bike racks, bicycle equipment/amenities including bike lockers, bike corrals/stations, etc.) and intra-jurisdictional connectivity.

The primary funding source currently available from Metro for bikesharing is through Metro’s Call for Projects. Metro is currently accepting applications for fiscal year 2019/2020 funding. The Call process is expected to be highly competitive for limited federal dollars, and project-ready areas that have already been identified as priorities and/or have significant bicycle infrastructure would most likely receive funding. Smaller State (Caltrans) funding opportunities may become available annually.

DISCUSSION

Starting in 2010, the Beverly Hills Traffic & Parking Commission and staff have conducted public outreach processes to introduce bicycle facilities to the City. To date, the City Council has approved recommendations for bicycle facilities which include bike routes on Burton Way and

Crescent Drive and approximately 40 additional custom-designed bike racks in commercial corridors throughout the City. A current City Council "B" priority is to continue to expand bicycle facilities city-wide. Expansion of bicycle facilities will help the City be more competitive for grants available for bikesharing.

The City of Santa Monica is extending the *CycleHop* contract terms to the WSCOG cities in an effort to expand the bikeshare system throughout the Westside. Per the agreement with *CycleHop*, the base cost per bicycle remains the same regardless of the number of units purchased. The City would need a minimum of two station 'hubs' for the bikes to be stored each evening and the City's existing bicycle racks could be used by program participants. Staff calculated preliminary cost estimates based on a fleet of 50, 100 or 150 bicycles, and included a 20% contingency for unanticipated events to join the City of Santa Monica's program. The first year implementation cost for equipment, installation, and operation ranges between \$327,000 and \$922,000, with operation costs offset by user fees. Ongoing annual operating costs will range between \$110,000 and \$329,000 (plus offset from user fees).

UNITS	8-GEAR BIKE	RACK WITH BASE	SOLAR KIOSK (2)	SET-UP PER BIKE	ANNUAL OP PER BIKE*	TOTAL	PLUS 20% CONTINGENCY
1	\$ 1,465	\$ 300	\$ 12,274	\$ 1,000	\$ 2,190	\$ 17,229	\$ 20,674.80
50	\$ 73,250	\$ 15,000	\$ 24,548	\$ 50,000	\$ 109,500	\$ 272,298	\$ 326,757.60
100	\$ 146,500	\$ 30,000	\$ 24,548	\$ 100,000	\$ 219,000	\$ 520,048	\$ 624,057.60
150	\$ 219,750	\$ 45,000	\$ 24,548	\$ 150,000	\$ 328,500	\$ 767,798	\$ 921,357.60

*offset by user fees

Revenue amounts from user fees and sponsorship will be determined through the feasibility study and success of Santa Monica's program. In most cities where bikeshare exists, including major bikeshare systems such as Capital Bikes (Washington D.C.), Citibike (New York City) and Divvy Bike (Chicago), user fees cover only a portion of operational costs. As Bikeshare is a form of transit, many Cities have opted to keep fares low and have experienced structural deficits. Cities have relied on government subsidies and outdoor advertising and sponsorships to cover these deficits. Santa Monica has proposed a rate structure that is expected to cover 85% or more of anticipated operational costs. This amount is higher than experienced by the typical bikeshare program.

If the City is interested in joining this program, staff would recommend a feasibility study to be conducted to project ridership and user fee offset, in addition to identifying a number of recommended bicycles for the City and station/hub locations.

Staff anticipates internal (City) project management and possible Public Works Services maintenance costs in addition to the contract costs. FTE allocation and associated costs are to be determined based on the size/growth of the program.

The City will need to consider existing policy/ordinances regarding sponsorship and advertising for a regional/Westside bikeshare system. At the September 11, 2012 study session, "single-sponsor" corporate sponsorship opportunities were discussed, and Council directed staff to return the item for further discussion and direction after a Request for Proposal (RFP) was completed.

Next Steps

Staff anticipates approximately 12-18 months for program implementation following City Council direction on pursuing a feasibility study for site locations, community outreach, internal policy review, and capital purchases. (There will be overlapping periods when action items occur simultaneously.)

If the City Council wishes to proceed with a bikeshare program, staff recommends retaining *Fehr & Peers*, the City's on-call consultant, to conduct an evaluation/feasibility of a bikeshare system, recommend station locations, and support community outreach. Upon completion of study, staff would return to City Council to consider a contract award with *CycleHop*. Below is a description of next steps.

Feasibility Study and Community Outreach (3 Months):

- Community outreach
- *Fehr & Peers* consulting team conduct feasibility study
- Identify the number of smart bicycles and docking stations/bike racks needed
- Identify sites/locations of docking stations/solar kiosks in the City
- Identify funding sources, both grant moneys and City general fund dollars
- Evaluate cost recovery user fees
- Report feasibility study results to City Council

Contract Award and Corporate Single-Sponsorship (6-8 months):

- Professional Services Agreement with *CycleHop*
- Coordinate with the City Attorney's Office on legal issues related to single sponsorships/advertising on the bikeshare system
- Single sponsorship/advertising ordinance amendments
- Vet out possible legal concerns

Implementation/Installation (8 months):

- Smart Bicycles
- Solar Kiosks
- Docking Stations/Bike Racks
- Signage/Wayfinding
- Education

Based on the projected timeline, Transportation Planning staff will benefit from the implementation process and lessons learned from the Santa Monica bikeshare model during planning, start-up and actual operations.

FISCAL IMPACT

The estimated first-year cost to implement and operate a 50-bicycle bikeshare program is \$327,000 for capital and contractual operating services. Contractual operating costs for the next 7-8 years are approximately \$109,000 annually. Staff estimates an additional start-up cost of \$20,000 for *Fehr & Peers* consultant services for a feasibility study, recommended site locations, and community outreach. Additionally, staff estimates the need for 0.5 full time equivalent positions. Staff will include a proposal for in-house staff as part of the FY 2015-16 budget. At this time, staff recommends assuming user fees will cover 30% pending completion of the feasibility study and review of initial data from the City of Santa Monica's program.

Meeting Date: January 6, 2015

Staff has identified \$150,000 of its allocation of AB-2766 Air Quality Management District (AQMD) grant funds for capital costs. The City's Proposition C and Measure R Local Return may be used for the bikeshare program. However, these funds have been earmarked for existing transit operations and the Santa Monica Boulevard Reconstruction project for the next five years.

RECOMMENDATION

Staff seeks direction from the City Council regarding pursuing a bikeshare program.

ak
for Susan Healy Keene
Community Development Director

Approved By

ATTACHMENT 1

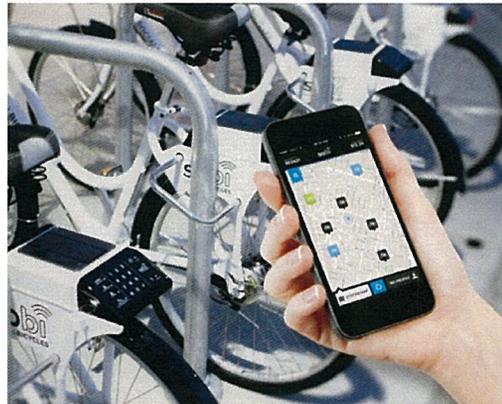
SoBi Bicycle Features



SoBi Equipment: Rack Options



Social Bicycles (SoBi): Smart Bike System



Social Bicycles are “smart bikes” equipped with a solar powered, GPS-enabled lock.



Find, reserve, and unlock a bike with your mobile phone.

You can park a bike at system hub locations or at any public bike rack.