



STAFF REPORT

Meeting Date: February 3, 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, 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, costs 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 and the Los Angeles County Metropolitan Transportation Authority 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 WSCOG 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. The City of Santa Monica is extending the

CycleHop contract terms and costs to the WSCOG cities in an effort to expand the bikeshare system throughout the Westside.

On November 11, 2014, the Santa Monica City Council 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 (a combination of 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.

The *CycleHop* contract services include vendor program administration, technical support and maintenance of equipment, and 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/docking station, 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 administrative 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 bicycle 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 2020/2021 funding. Staff is submitting an application for Beverly Hills. 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 Transportation Planning staff has conducted community outreach to introduce bicycle facilities to the City. To date, City Council has approved recommendations for bicycle facilities that 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 expanding bicycle facilities city-wide. Expansion of bicycle facilities will help the City be more competitive for bicycle-related grant funds.

Staff estimates preliminary costs based on a fleet of 50, 100 or 150 bicycles, plus a 20% contingency for unanticipated events. The first year implementation cost for equipment, installation, and operation ranges between \$327,000 and \$922,000. Ongoing annual operating costs (after Year-1) will range between \$110,000 and \$329,000 (less offset from user fees). Staff estimates a minimum of two station 'hubs' are needed for a 50 bicycle program for storage/docking each evening. The smart bike design includes an integrated locking mechanism and GPS tracking software (for unit retrieval) that allows participants to lock bicycles to existing public bicycle racks throughout the City.

Per the agreement between the City of Santa Monica and *CycleHop*, the cost per unit is the same for each WSCOG City piggybacking on the Santa Monica agreement, regardless of the number of units purchased. Based on economies of scale, the unit price for each smart bicycle purchased (whether a 500-bicycle program or a 50-bicycle program) will cost \$4,955 and each kiosk will cost \$12,274.

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

*offset by user fees

Revenue amounts from user fees and sponsorship will be determined through a feasibility study and the 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 (after Year-1 when the system develops a regular user base). This amount is higher than experienced by the typical bikeshare 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.

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

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.)

The City's on-call transportation consultant, *Fehr & Peers Transportation*, has started evaluating the feasibility of implementing a bikeshare system for Beverly Hills. The feasibility study will include recommendations for program size, docking station locations, and community outreach strategies. Upon completion of the feasibility study, staff would return to City Council with a bikeshare program design and possible consideration of 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 Santa Monica's implementation process and lessons learned from their 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. Annual contractual operating costs for the next 7-8 years are approximately \$109,000. Staff estimates an additional start-up cost of approximately \$20,000 for *Fehr & Peers* consultant services for the feasibility study.

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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 FY2015-16 budget. At this time, staff recommends a 30% assumption for user fee recovery, pending completion of the feasibility study and review of initial data from the City of Santa Monica's program.

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 the next five years for existing senior transit operations and the Santa Monica Boulevard Reconstruction project.

RECOMMENDATION

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

Susan Healy Keene
Community Development Director

Approved By



Attachment 1

Social Bicycles (SoBi): Smart Bike System



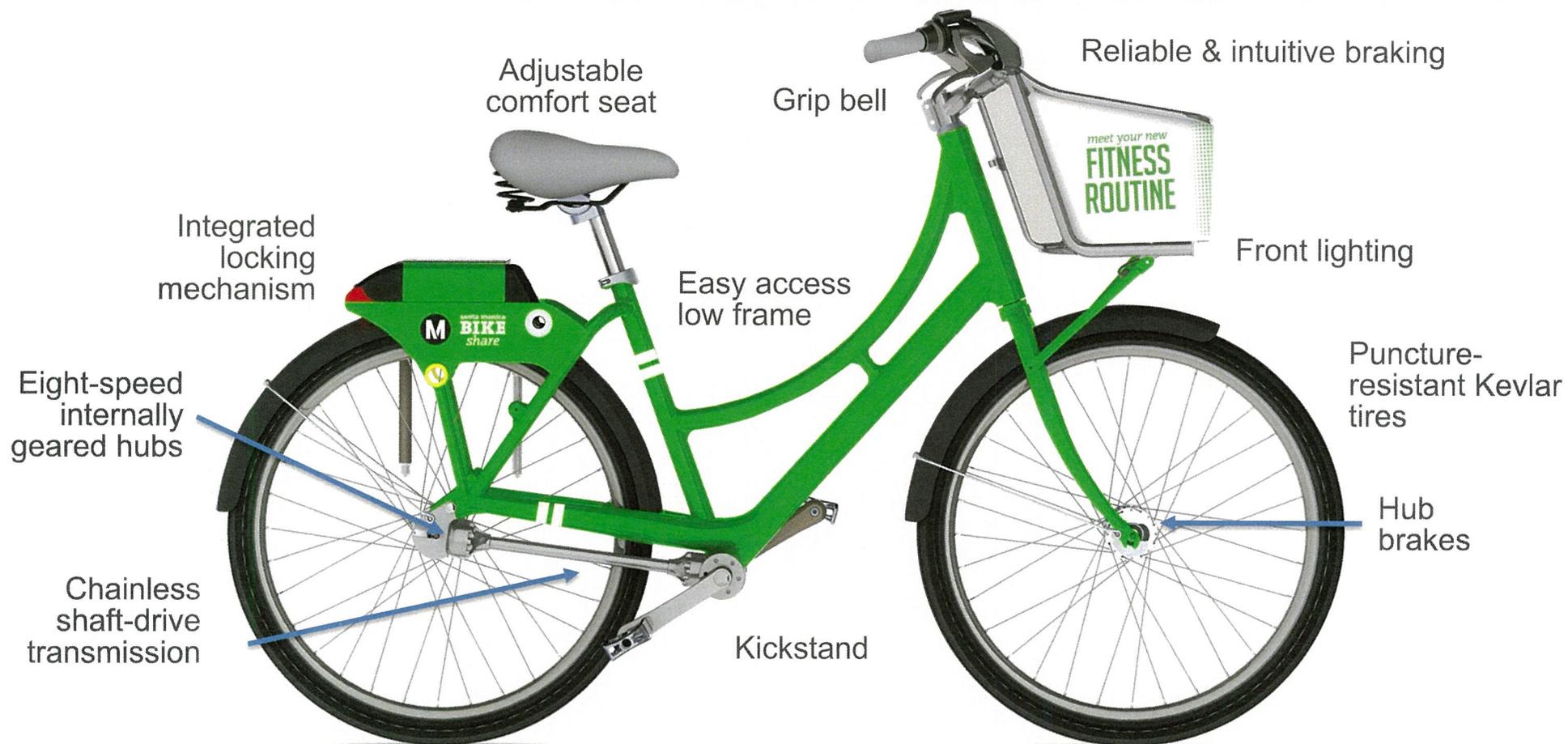
Social Bicycles are “smart bikes” equipped with a solar powered, GPS-enabled lock.



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.

SoBi Bicycle Features



SoBi Equipment: Rack Options



SoBi Equipment: Kiosks



KIOSK



**KIOSK
+ SIGN**

**KIOSK
+ HELMETS
AVAILABLE
2015**

