



Board Report

File #: 2018-0479, **File Type:** Program

Agenda Number: 44.

PLANNING AND PROGRAMMING COMMITTEE SEPTEMBER 19, 2018

SUBJECT: METRO BIKE SHARE PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING report on the status of performance of the new fare structure for the Metro Bike Share Program and potential integration with other Bike Share programs in Los Angeles County, and
- B. DIRECTING the CEO to complete an evaluation of the feasibility of continuing the Metro Bike Share Program after 12 months of performance data under the new fare structure authorized in May 2018.

ISSUE

At its May 2018 meeting, the Board adopted the new Bike Share Business Plan for the Metro Bike Share Program, including a new bike share fare structure. This action by the Board also included an amendment by Director Fasana requesting a report back in 90 days from the Office of Extraordinary Innovation (OEI) and the Planning Department on whether Metro should continue the Bike Share Program. This report is in response to the Fasana amendment.

BACKGROUND

In January 2014, Board approved Motion 58 by Directors Garcetti, Yaroslavsky, Bonin, Fasana, and Knabe authorized the CEO to procure, contract, and administer a countywide bike share program. With this Motion, Metro became the first transportation authority to launch a countywide bike share program. The business model approved by the Board was to implement bike share, in a phased approach, with a single-point agency (Metro) to ensure inter-operability among the different jurisdictions and integration with the TAP card.

The existing contract for bike share was signed in 2015. At that time, only the cities of Santa Monica and Long Beach had established publicly-owned bike share programs. In July 2016, the Metro Bike Share program officially launched Phase 1 in downtown Los Angeles. In 2017, Phase 2 expansion was launched in Pasadena, Port of Los Angeles, and Venice. In May 2018, Phase 3 expansion was

authorized for Marina del Rey, Culver City and various communities in Los Angeles.

The business model also outlined a cost sharing formula for capital costs and operations and maintenance costs between Metro and the partner cities. However, since the inception of the Metro Bike Share Program, privately-owned bike share and electric scooter providers have emerged with a no-cost business model for the cities in the region.

In order to respond to the competitive operating environment, staff developed a new Business Plan for the Metro Bike Share Program which was approved by the Board in May 2018.

Further, Phase 3 is anticipated to be operational during early- to mid-2019. Phase 3 will enable the bike share network to expand in a contiguous manner from downtown Los Angeles (DTLA) and the westside region of Los Angeles County. A lack of continuity for the existing system has been a challenge to our efforts to grow ridership. The contiguous network will provide a greater benefit to transit riders and make the bike share system more efficient.

To date the total cost for the program (Phases 1 and 2) totals \$22.2 M of which \$8.6 M was allocated for capital expenditures with \$6.8 M of the total reimbursed by grants. Total Cost for pre-launch activities, which includes station siting, installation, and marketing was \$3.2 M. Operations and maintenance since inception of the program to June 2018 was \$10.5 M. After cost reimbursement from the cities, Metro's total investment to date on the Bike Share program has been approximately \$5.4 M. See the following table for cost illustration.

Phase I & II					
	Total	Grants	User Revenue/ Fare Box Recovery	Cost Reimbursed from Partner Cities	Metro Costs
Capital	\$8,582,740	\$6,796,521		\$716,494	\$1,069,725
Pre-Launch	\$3,184,068			\$2,069,644	\$1,114,424
O&M	\$10,464,725		\$1,415,698	\$5,881,868	\$3,167,160
Total	\$22,231,533	\$6,796,521	\$1,415,698	\$8,668,006	\$5,351,308

DISCUSSION

The implementation of the new Business Plan is currently underway. The first phase of fare restructuring was completed within 45 days after the approval of the new Business Plan. Immediately after implementation, the ridership of Metro Bike Share increased by over 21% in July. However, the City of Pasadena recently withdrew from the Metro Bike Share Program based upon the amount of operating subsidy required, reallocating resources to other City programs.

Status of Other Elements of the New Business Plan

In addition to a new fare structure, the new Business Plan addresses sponsorships, defines performance metrics, identifies equity outcomes, discusses and establishes a preferred technology

approach, outlines a marketing and outreach strategy and performs a cost analysis. Phase 1 of the new fare structure was rolled out in July and Phase 2 will be rolled out with TAP Wallet Integration as early as next month. Securing title and/or non-title sponsorship opportunities are on-going and more viable as the network expands per Board direction. In addition, cost reductions in regards to operations and maintenance are on-going and will be implemented as soon as possible.

TAP Wallet Integration

Tap Wallet integration with the Bike Share Program is scheduled to publicly launch as early as next month. Integrating the Bike Share Program account into the TAP Wallet account-based system is the final phase, Step 3 - Seamless User Integration, in the TAP Bike Share Integration Strategy adopted by the Metro Board in November 2015. This account integration enables users to manage and access their Metro transportation services through a single account and, for the first time, will enable multimodal trips with a single fare. With this new functionality, the Bike Share Program will be able to function as a true first/last mile access service to bus and rail, providing a seamless user experience. Furthering the program's equity commitment, TAP Wallet will enable reduced fares to students, seniors and disabled and will allow cash customers to access the Bike Share Program.

TAP Wallet will provide a platform for interoperability with other third party mobility service providers. All integrated parties must comply with all public transportation policies and regulations that Metro currently follows, such as the privacy policy protecting the monetization of account, financial, ridership, or other data per the stipulations in the California Streets and Highways Code Section 31490, (

[\).](https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=SHC&division=17.&title=&part=&chapter=8.&article=>=)

Third party entities will be responsible for the development cost of their own system to integrate with TAP Wallet as well as any additional development that may be required in TAP Wallet to accommodate the third party service. Coordination with "Bike Share Connect" systems (Breeze, WeHo Pedals, Beverly Hills Bike Share, and Bruin Bike Share) and Long Beach Bike Share has been initiated. Upon completion of TAP integration with Metro Bike Share, staff will hold a follow up discussion with these providers.

Executing Phase 3 Expansion

Per Board direction, Metro Bike Share will be expanding within the City of Los Angeles including the areas of Echo Park/Silver Lake, Koreatown, MacArthur Park/Westlake, and Palms/Mar Vista/Playa del Rey/Playa Vista/Del Rey and in the cities of Culver City and Marina del Rey. The expansion will include approximately 1,400 bikes and stations. The expansion will also include ten "E-Bikes" (electric-powered, pedal-assisted) for demonstration purposes and provide data needed to enhance the system.

In the Phase 3 expansion, smart bikes (GPS, user-interface, and check in/check out technology and other features located on the bike) will be introduced into the fleet and enable door-to-door trip making. In addition, staff will be testing E-Bikes and evaluating their benefits prior to incorporating them into the bike share fleet. Through Step 3 TAP integration, customers will have access to the program through their TAP card. In contrast, private dockless providers currently are not available without a smart phone and credit card. This function will further advance Metro's equity initiative.

Funding Source for Phase 3 Expansion

The following table includes program cost for both FY19 and FY20 inclusive of both Metro and Partner allocations:

	Total	City Reimbursement	Metro Cost
Capital	\$7,681,664	\$4,993,082	\$2,688,582
Pre-Launch	\$2,823,329	\$1,835,164	\$988,165
Existing O&M	\$11,001,572	\$7,151,022	\$3,850,550
Phase III O&M	\$10,263,170	\$6,671,061	\$3,592,110
Total	\$31,769,735	\$20,650,328	\$11,119,407

In addition, at the June 2018 meeting, the California Transportation Commission allocated a \$2.5 M capital infrastructure grant for the Bike Share Program to expand to USC/University Park and surrounding communities. The allocation item and future expansion will be reviewed by the Board prior to implementation.

Lessons Learned

Based on the last two years of operation in DTLA, ridership is higher in areas with a contiguous network, where land use patterns are conducive to biking and bicycle infrastructure is available. In order to get a better understanding of performance in a contiguous network vs. individual networks, we have established two different Key Performance Indicators (KPIs) for FY 19 to monitor rides per bike per day inside and outside of DTLA. The data gathered will help with how the bike share network is developed to optimize ridership. The redeployment of the Metro-owned equipment in Pasadena will take these factors into consideration as well.

Year One Evaluation of Existing Bike Share Programs in LA County

At its July 2015 meeting, the Board requested an evaluation of the first operating year of existing bike share programs in Los Angeles County. The goals of the evaluation include the following: development of recommendations for participating systems to optimize their existing systems; identifying lessons learned from planning and implementing bike share in LA County and how these vary across vendor platforms; and development of considerations for the Metro Board to fund future bike share systems that opt to not use Metro's selected vendor on a case-by-case basis subject to the respective city fulfilling Metro's interoperability objectives. This study is led by Southern California Association of Governments (SCAG) and will be completed by June 2019.

Metro Bike Share vs. Private Dockless Bike & Other Shared Mobility programs

Metro Bike Share Program offers a viable transportation option to facilitate first and last mile connections to transit service and short commuting trips. Differences between Metro Bike Share and other private operators include public input, cost, performance oversight and dependability.

Public Input

Prior to launching a bike share expansion, Metro executes an environmental study and obtains public input. Staff works closely with partners to site bike share stations adjacent to transit hubs and other key destinations to provide fleet size, station location and services in line with partner expectations. Through a contracted operator, Metro Bike Share maintains high safety and service standards. The program operator maintains the bikes and ensures the bike share stations are clean and have a sufficient amount of bikes for transit customers to use on a daily basis. Metro staff also oversees the program's performance quality. Private operators typically launch with little to no public input, often resulting in a backlash or the need for city regulations.

Cost

Metro Bike Share Program incurs costs for planning, capital investment and operations that are not fully covered by fare revenues. Metro shares the overall cost of the program with partner cities. On the other hand, private program providers can deploy their fleets in city streets with fewer preparatory costs and no public funding. However, cities have had to allocate funds towards developing policies to regulate this equipment and allocate resources to enforce these regulations (see below).

Dependability

One major consideration is dependability of service. To date, one of the major private dockless bike share providers has left the region and is no longer operating in Los Angeles County. Another dockless bike share provider has shifted their business focus from bike share to other mobility devices. In Washington, D.C. a public bike share system operated alongside seven private dockless bike share providers within the same jurisdiction. Recently, one of the private dockless operators recently ceased operations due to profitability and abandoned bicycles throughout the city. In contrast, the Metro Bike Share Program is committed to provide its service through agreements with its partner cities. However, this can lead to deployments of service that are costly, and rigorous monitoring is essential to ensure a valuable return on investment of public funds.

Regulations

Currently the cities of Los Angeles and Santa Monica have implemented or are in the process of implementing a pilot program that will regulate private dockless providers that wish to operate for a limited amount of time in their respective cities. The regulations under consideration include a fee-driven permit process, sharing of ridership data and imposing limitations on where bikes can be parked. Other cities, such as Beverly Hills, West Hollywood, and Coronado have banned dockless providers until regulations have been developed and approved. The City of Monrovia has developed a program that partners with a dockless bike share provider, managing their fleet size and service performance. All implemented programs and policies require cities to allocate resources to regulate and enforce these programs.

Metro does not have jurisdiction for any on-street regulation program as that belongs to the cities and the County. Of interest, Denver's Regional Transportation District (RTD) has recently released regulations prohibiting dockless vehicles from operating in transit lanes or being transported on buses or trains. In addition, the regulations include where and how the dockless vehicles can be parked at RTD stations and properties. Staff recommends exploring the development of similar regulations as RTD, including resources that will be needed for enforcement at all Metro right of way, for future Board consideration.

Should Metro Continue the Bike Share Program?

Considering that the first 90 days of phase 1 of fare reduction has not been reached yet, it is too soon to determine how the new Business Plan has performed. More time is needed to secure title and non-title sponsorship opportunities now that we are in the process of expanding the network and reaching more communities. However, early trends such as increased ridership indicate a positive impact on the program.

The new Business Plan provides more flexibility in sponsorship opportunities for the Metro Bike Share Program. Non-title sponsorships in specific geographic areas or the utilization of certain bike assets such as station ad panels, social media, and/or bicycle components broaden the ability to attract potential sponsors.

Further, given that the independent evaluation of the existing bike share programs is underway by SCAG, the Board would benefit from those findings which will not be available until July 2019.

OEI Assessment

Metro has made significant investment in our bike share program and it has yielded results. Metro Bike Share has provided Los Angeles County residents with an additional sustainable transit option that has generated over 520,000 trips, provided over 1.6 million miles of mobility service and has reduced over 1.6 million pounds of CO2 gas emissions.

Growing ridership from the new fare structure, new bike technology options, and more contiguous network, along with potential sponsorship, are intended to enable a successful and financially sustainable public bike share network. We have developed specific performance measures to evaluate success in this regard. If and when we are not meeting those specific measures after the business plan has taken full effect, we should revisit the idea of whether a Metro-subsidized bike share plan makes sense. At that time, we will also have a better sense of the stability of the private bike share market and how well it might serve the County under an effective regulatory structure.

OEI continues to meet with and receive innovative proposals from shared mobility providers. Even during the implementation of the bike share business plan, OEI will continue to bring these proposals forward for consideration. If and when a potential partnership for bike share merits a pilot program, we will explore that possibility within Metro and test innovative ideas to see whether other models could be an improvement.

DETERMINATION OF SAFETY IMPACT

The Metro Bike Share receive and file will not have any adverse safety impacts on Metro employees and patrons.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Metro Bike Share directly supports Strategic Plan Goal 1 by expanding transportation options with an easy, convenient, and reliable mode that increases mobility for users. Bike share provides on-demand point to point transportation to access jobs, housing, education, and health care and improves connectivity for seamless journeys. Equipment and service may be expanded relatively

quickly to provide service to areas in most need.

Metro Bike Share also aligns well with Strategic Plan Goal 3 by working directly with the community to identify bike share station locations. Crowdsourcing maps and outreach events allow community members to participate in the decision making process by identifying where these infrastructure investments are most needed.

NEXT STEPS

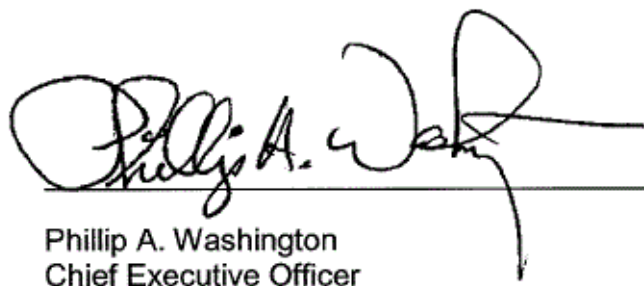
Staff will continue to implement the new Business Plan, TAP integration, and monitor ridership performance. Staff will report back in a year which aligns with the anticipated completion of the independent evaluation report from SCAG. Additionally, staff will collaborate with other shared mobility programs to identify innovative solutions and potential future integration.

ATTACHMENT

Attachment A - Motion 58

Prepared by: Basilia Yim, Senior Manager, Transportation Planning, Countywide Planning & Development, (213) 922-4063
Dolores Roybal-Saltarelli, Senior Director, Countywide Planning & Development, (213) 922-3024
Frank Ching, DEO, Countywide Planning & Development, (213) 922-3033

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077
Joshua Schank, Chief Innovation Officer, (213) 418-3345



Phillip A. Washington
Chief Executive Officer

MOTION BY:
MAYOR ERIC GARCETTI & DIRECTORS ZEV YAROSLAVSKY,
MIKE BONIN, JOHN FASANA & DON KNABE

Item 58 — Bicycle Share Program Implementation Plan

In October 2013, the MTA Board adopted, as policy, bicycle use as a formal transportation mode.

Staff was asked to: a) conduct an industry review on procuring a regional bike share vendor; b) prepare a business case analysis and recommendations on proceeding with a Request for Proposals to implement a regional bicycle share program; 3) make recommendations on a phased approach for implementing this program.

Bicycle share offers an alternative means of transportation for short trips that might otherwise have been made by vehicles.

A recent study named "The Bike-Sharing Planning Guide" (Institute for Transportation & Development Policy, December 2013) said "bike-share, more than any other form of urban transport, has the ability to improve and transform our cities."

This means a robust and regional bicycle share program needs to be adopted to address first-mile and last-mile transportation challenges.

An MTA bicycle share program will help connect and expand its transportation coverage to multiple jurisdictions along its transit system.

This is why MTA needs to be the lead agency in the county that will manage and procure a robust bicycle share program.

A single-point agency will also ensure inter-operability among the different jurisdictions and can also provide a multi-modal transportation system through the use of the Transit Access Program ("TAP") smart card.

MTA can also simplify the management of the program by having one agency provide proper accountability and proper management.

MTA needs to also provide a fair-share of funding to support the initiation and maintenance and operations (O&M) costs for the program.

WE, THEREFORE, MOVE that the MTA CEO:

- A. Undertake a study of how a Bike Share Program could be implemented throughout the County.
- B. Procure, contract and administer the bicycle share program once the implementation study is completed.
- C. Implement the program in a phased approach and partner with the cities identified in the Phase I of the bicycle share program so MTA funds at least:
 1. Up to 50% of total capital costs per each city
 2. Up to 35% of total O&M costs per each city (on-going)
- D. Identify a financial business plan that includes:
 1. User fees
 2. Advertising fees
 3. Corporate sponsors
 4. A recommendation on a revenue split for all fees/revenues identified above.
- E. Prioritize eligible grants to support the costs of the program including:
 1. State Active Transportation Program ("ATP") funds
 2. State "Cap & Trade" funds
 3. Federal bicycle and active transportation funds
 4. All other eligible funding sources
- F. Develop a robust system-wide branding and educational effort that supports the use of bicycle share as part of the implementation study.
- D. Identify a financial business plan that includes
- G. Update on all of the above at the April 2014 Board meeting.
 2. Advertising fees
 3. Corporate sponsors
 4. A recommendation on a revenue split for all fees/revenues identified above
- E. Prioritize eligible grants to support the costs of the program including:
 1. State Active Transportation Program ("ATP") funds

DIRECTOR O'CONNOR'S MOTION REGARDING BIKE SHARE:

1. Is there a firm timeline for Metro's procurement?
2. How will this effort related to the procurement Long Beach is pursuing
3. How will this effort work with Santa Monica's RFP/market test?
4. Will there be coordination with the subregions? What form will that take?
5. Has LA solved its legal outdoor advertising problem?
6. Will there be flexibility for different business case models to operate within the Metro umbrella?
7. Will the Metro's Bikeshare program go beyond the Metro stations? Can the program be expanded to include greater coverage for cities?
6. What does Metro being the lead agency mean? Is this a clearing house for revenue sharing? What other elements are included?
7. What funding is available for phasing the rollout of the program during the first year of implementation on both capital and operating expenditures? How will allocations be made?
8. How will the system enable jurisdictions to make choices about how (what sources) they want to fund the operating gap?

This motion should be fortified with a fact sheet that informs regional cities on the "nuts and bolts" of the business model Metro is pursuing, the timeline for implementation, and subregional coordination.



Planning and Programming Committee
September 19, 2018
Legistar File 2018-0479

Receive & File
September 2018

Background

Total Trips



524,279

Passes Sold



29,228

Calories Burned



39,230,188

Miles Traveled



1,616,774

Emissions Reduced

Pounds of CO₂



1,535,935

21% increase in ridership after
new fares offered

One fare to get you there

\$1.75

SINGLE RIDE

Same low price as Metro Bus and Rail

[Find A Station](#)

[Sign Up](#)



* Data illustrates performance between
July 2016 to August 2018

Metro Bike Share Program Cost Summary

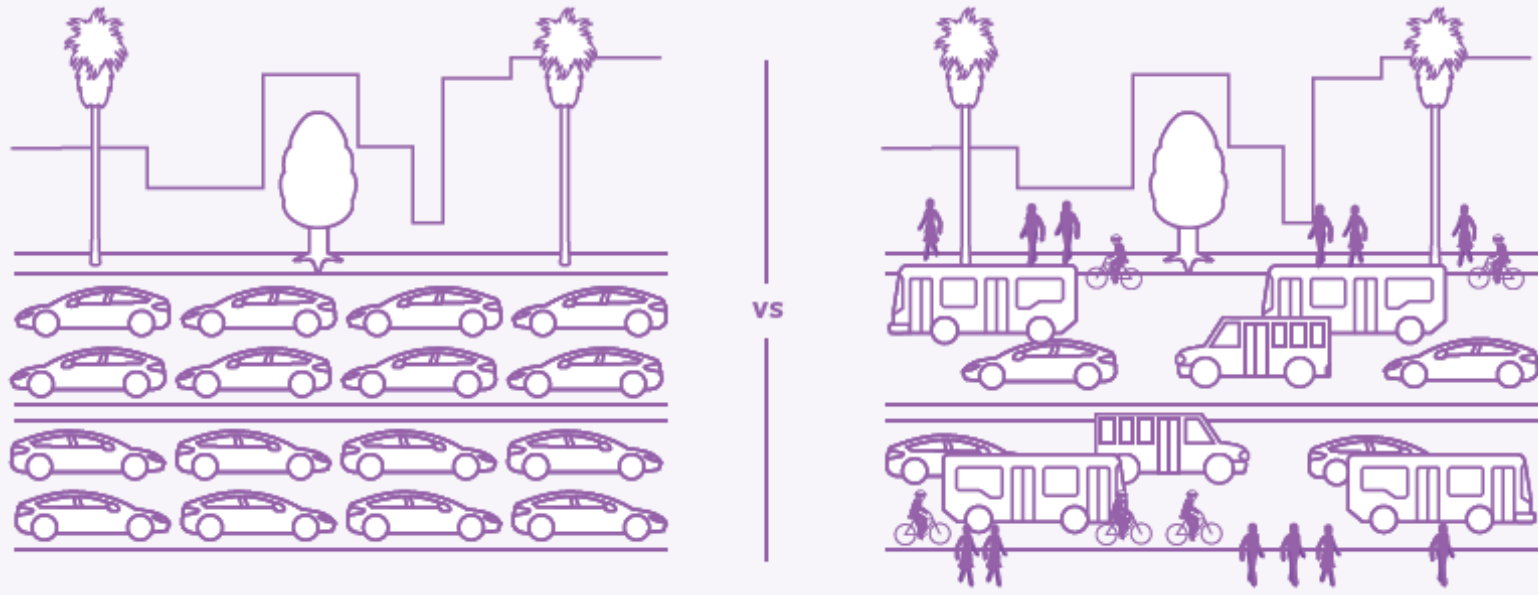
Phase I & II					
	Total	Grants	User Revenue/ Fare Box Recovery	Cost Reimbursed from Partner Cities	Metro Costs
Capital	\$ 8,582,740.00	\$ 6,796,521.00		\$ 716,494.00	\$ 1,069,725.00
Pre-Launch	\$ 3,184,068.34			\$ 2,069,644.43	\$ 1,114,423.92
O&M	\$ 10,464,725.05		\$ 1,415,697.86	\$ 5,881,867.67	\$ 3,167,159.51
Total	\$ 22,231,533.39	\$ 6,796,521.00	\$ 1,415,697.86	\$ 8,668,006.10	\$ 5,351,308.43

- Cumulative since inception of the program to June 2018
- Metro Capital and Pre- Launching Cost was funded by Measure M 2% and General Fund.
- Metro Operating and Maintenance Cost was funded by Prop C 25% and General Fund.



Supports Metro Strategic Plan

Finite and precious, our street space can be better used.

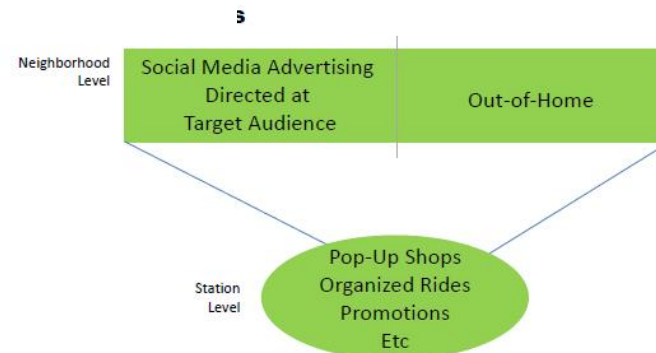


- Goal 1 Provide high quality mobility options that enable people to spend less time traveling
- Goal 3.3 Genuine public & community engagement to achieve better mobility outcomes for the people of LA County

New Business Plan



Media Strategy



Metro Rail/Bus Riders

Ads in Rail Stations w/ Bike Share Stations



Big wall ads. Signage & station audio announcements directing to Bike Share (watch out: our stations are often not optimized in residential areas to receive bikes on other end)

Pop Up Tents at Rail Stations



Similar to BTS's current event approach, but focused where we have product

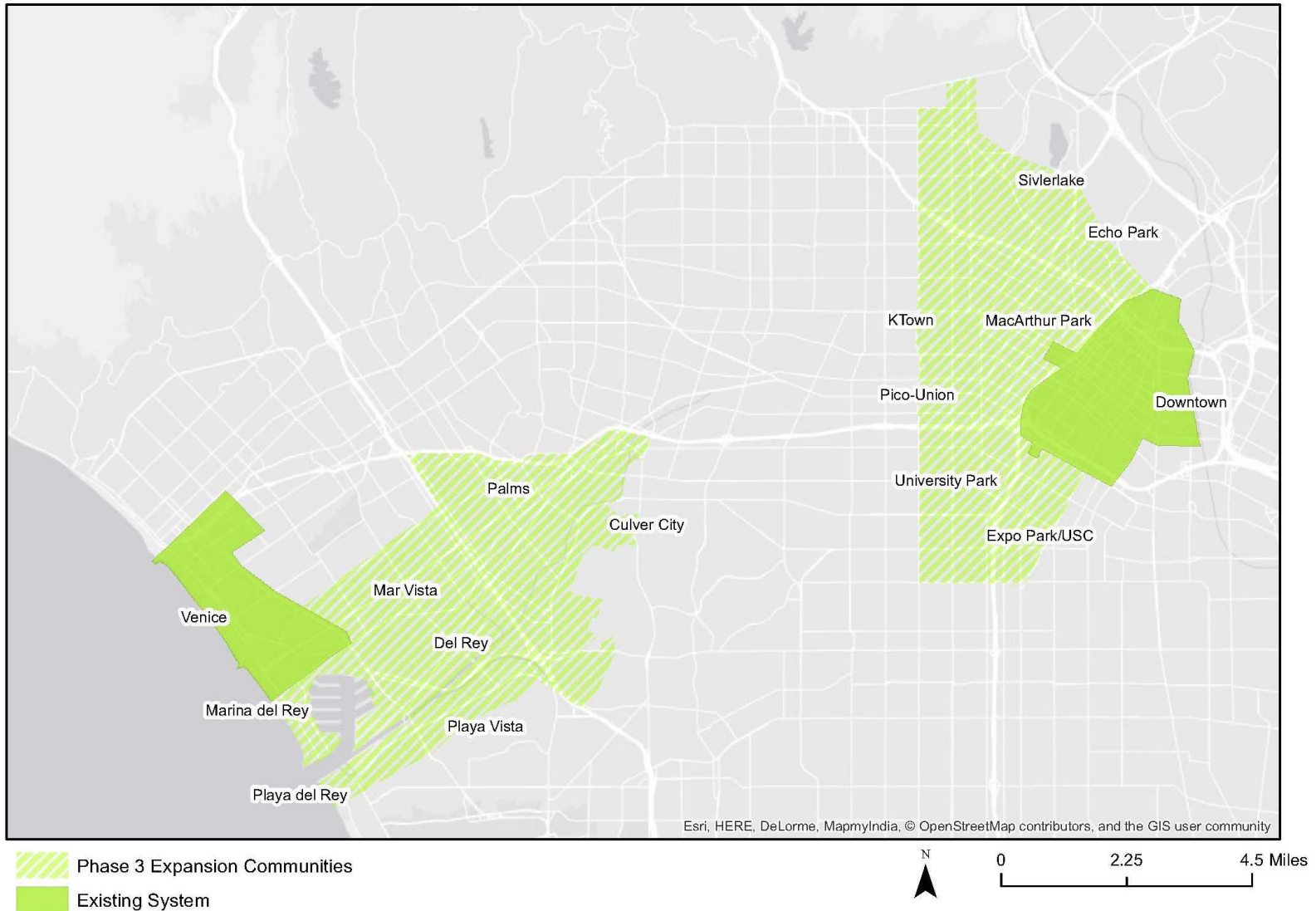
Social Media Ads for Rail Riders



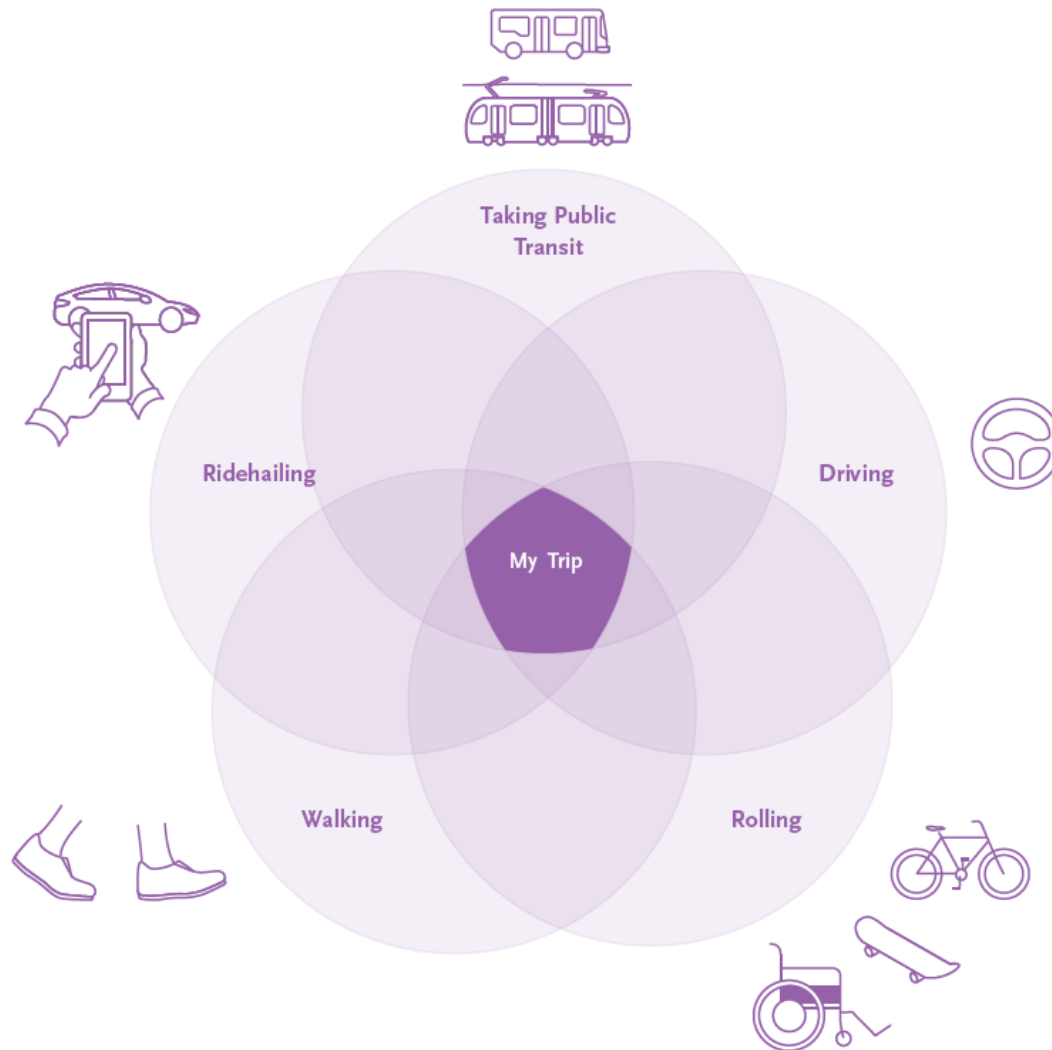
Serving ads on social media to Metro Rail riders



Phase 3 Expansion



TAP Wallet Integration



Metrics & Evaluation



- System Size & Equipment
- Ridership
- User Demographics & Equity
- Rebalancing
- Maintenance
- Customer Service
- Trip Data
- Fare Structure
- Funding Recommendations for Cities

Private Dockless Bike & Other Shared Mobility Programs vs. Metro Bike Share



- Planning and Public Input Process
- Cost
- Performance Standards
- Dependability
- Equitable & Accessibility



Regulations

City	Regulation Approach
Los Angeles	Permitting / Control Fleet Size
Santa Monica	Permitting / Control Fleet Size
Beverly Hills	Banned until Regulations Developed
Coronado	Banned until Regulations Developed
West Hollywood	Banned until Regulations Developed
Monrovia	Partnership / Control Fleet size

- Metro does not have on-street jurisdiction to regulate other programs
- Any regulations requires resources to enforce
- Recommend develop regulations at all Metro Right of Way

Recommendations

- Continue to implement new business plan strategies
- Complete TAP wallet integration
- Implement Phase 3 Expansion and redeploy capital equipment
- Test and implement new fleet options, i.e.: Smart Bike and E-Bike
- Evaluate performance based on developed metrics
- Develop regulations at all Metro Right of Way for Board consideration
- Potential sponsorships
- Explore new technologies and potential integrations with other shared mobility programs
- Report back to the Board in one year