



Board Report

File #:2015-1436, File Type:Program

Agenda Number:10.

PLANNING AND PROGRAMMING COMMITTEE NOVEMBER 18, 2015

SUBJECT: METRO COUNTYWIDE BIKE SHARE PROGRAM

ACTION: APPROVE A BIKE SHARE FARE STRUCTURE AND AUTHORIZE INITIATION AND IMPLEMENTATION OF A PHASED REGIONAL BIKE SHARE INTEROPERABILITY STRATEGY.

RECOMMENDATION

CONSIDER:

- A. APPROVING a fare structure for the **Metro Countywide Bike Share Program** as proposed (Attachment A); and
- B. AUTHORIZING the initiation and **implementation of a phased Regional Bike Share Interoperability Strategy** including the following:
 1. Implement Step 1 - Bike Share-enabled TAP card as Bike Share ID and Step 2 - Existing TAP card as Bike Share ID in 2016; and
 2. Continue to collaborate with TAP on an interoperability strategy for Step 3 - Seamless User Interoperability and report back in Spring 2016.

ISSUE

At the June 2015 meeting, the Board awarded a two-year contract to Bicycle Transit Systems (BTS) for provision of the equipment, installation and operations of the Metro Countywide Bike Share Phase 1 Pilot in downtown Los Angeles (DTLA Pilot). At the July 23, 2015 meeting, the Board approved Motion 22.1 (Attachment B), providing staff with direction on next steps for implementing the Countywide Bike Share Program. Included within Motion 22.1 was direction to enable a “seamless user experience.” Staff has pursued TAP integration as one of the elements to creating a seamless experience between Metro Bike Share, transit and potentially, other municipal bike share systems. Board approval and authorization are needed to proceed with the proposed Countywide Bike Share Fare Structure and interoperability strategy.

DISCUSSION

Fare Structure Development

Staff continues to meet with the bike share-ready cities identified in the Metro Countywide Implementation Plan - including the cities of Los Angeles, Pasadena, Huntington Park, Culver City and the County of Los Angeles - on a regular basis, either as a group or one-on-one in order to advance the launch and expansion of the Countywide Bike Share system. We have worked with these bike share-ready cities to develop a fare structure that positions bike share as a Metro service (one that extends the reach of transit) and addresses a variety of regional needs. In developing the proposed fare structure, we reviewed an array of fare structures from other systems nationwide (Attachment C). Santa Monica's adopted fare structure for Breeze bike share was considered as part of this survey; however, it did not meet all of our fare structure objectives as described below. Staff from Santa Monica has stated they are not prepared to modify their rate structure until they have a period of operating the system and evaluate the local results.

Fare Structure Objectives

In developing the Countywide Bike Share Fare Structure, staff set forth several objectives that would influence and frame the proposed structure. In addition to developing a fare structure that would contribute to the financial sustainability of the system, we also sought a fare structure that would work for a regional system - that is, a fare structure that would be successful in the various communities throughout Los Angeles County with their unique socio-economic and demographic characteristics.

As part of that effort, we developed a fare structure that is modeled after a transit fare structure. By drawing on the existing transit fare model, Metro has the opportunity - as the leader of the Countywide Bike share program - to fully position bike share as a thoughtfully integrated element of transit over time. We sought a fare structure that intrinsically addresses equity. Recent studies (Attachment D) show that lowering the barrier to entry can in and of itself draw persons of lower income into trying bike share. While staff will continue to explore other opportunities to further address equity and the un-banked, establishing a low entry point to use bike share was identified as a key objective. Lastly, we sought a fare structure that was clear, easy to understand and customer friendly.

Fare Structure

The proposed fare structure includes 3 simple pass options: 1. a "Monthly" pass for \$20 that includes unlimited 30 min trips, 2. a "Flex" pass for a \$40 annual fee that includes a \$1.75 charge per 30 min trip, and 3. a "Walk-Up" for \$3.50 per 30 min trip. The "Monthly" pass will have an auto-renew option upon sign-up. The first two passes can only be purchased online (on a computer or mobile device) however; the walk-up can be purchased with a credit/debit card at the payment kiosk available at each bike share station. Each of these passes caters to the various types of bike share users - frequent user, occasional user and casual user. The fare recovery ratio for the Metro Countywide Bike Share Program with the proposed fare is estimated to range between 60% and 80% depending on the typology of the city. The fare recovery ratios are based on the proposed pass pricing and applied to other comparable systems (Attachment E). In addition to being financially sustainable, the proposed fare structure had broad support among the bike share ready cities and fulfills the bike share objectives as described below:

Bike Share as a Metro Service

- Fare pricing is based on a 30-minute trip equivalent to approximately a 3 mile ride which is the FTA bike-shed for transit.
- Fares look similar to transit or are based on a multiplier of existing transit fares.
 - For walk-up users, the price is 2x the price of a Metro bus/rail ride. This rate is low enough to encourage first-time users to try the system while remaining sustainable enough to foster an appropriate revenue stream. Based on the dynamics of other similar bike share systems, we expect a large percentage of walk-up users to be DTLA visitors or tourists who are not price-sensitive.
 - For Monthly Pass holders, all rides within the 30-minute period are free. Overage charges are equivalent to a Metro bus/rail trip at \$1.75 per every additional trip within 30 minutes.
 - Flex Pass fares are equal to a Metro bus/rail trip (\$1.75).
 - Similar to transit fares, the proposed fare structure is built on payment per ride or per month.

Equity

- The three proposed pass options are flexible and streamlined to meet the diverse needs of communities that may need to serve user bases composed of local residents, tourists, or both. For instance, the overage charge rate does not escalate and thus supports users who may be traveling from greater distances to access a transit station or a final destination. (We may observe this in more suburban areas like South LA, East LA, San Gabriel Valley and San Fernando Valley cities and other areas of Los Angeles County.)
- We priced the walk-up rate to accommodate all users, including low-income riders. (Attachment A)
- The flex pass option is the most affordable option for occasional users. This pass will provide transit dependent users who are the most price-sensitive a low annual entry fee at \$40. In the future, the \$40 Flex pass fee could be subsidized to allow rides on bike share to cost the same as trips on Metro Transit (\$1.75).

Customer Friendly/Easy to Understand

- The proposed fare structure includes three simple pass options. We limited the menu of options to improve customer understanding and make signing up easy.
- The overage charges are non-escalating to keep the structure user friendly.

Bike Share Interoperability Strategy

The Metro Board provided direction through Motion 22.1 to create a “seamless user experience.” Staff has pursued TAP integration as one of element of creating a seamless experience between the Metro Countywide Bike Share Program, transit, and other bike share systems. With two different bike share vendors in the County, physical interoperability between the two proprietary bike share systems can best be addressed through the co-location of stations. Software interoperability for step

3 may be addressed through web and mobile applications, and/or the TAP system. TAP in partnership with Countywide Planning, has worked with BTS's technical team, and CycleHop and its contracted cities' staff to develop interoperability strategies for step 3. Based on the work conducted thus far, staff proposes to implement the following phased approach to achieve countywide bike share interoperability.

Step 1 - Bike Share-enabled TAP card as Bike Share ID

A uniquely branded TAP card will function as a Countywide Bike Share ID to unlock bicycles at each station. Only Countywide Bike Share TAP cards issued by BTS to pass holders will be recognized by the bike share system. Bike share fares are associated with the bike share user's account and not with the TAP card itself. The TAP cards will also be usable on the TAP bus and rail system. Customers using the bikeshare station for the first time and that do not have this special TAP card can still use a valid credit/debit card to check out a bike.

Estimated Implementation Schedule: DTLA launch next summer.

Step 2 - Existing TAP card as Bike share ID

All TAP cards will function as bike share passes to unlock a bicycle at a station. The TAP card number will need to be entered, either by the user or an app, at the time of purchase of a Bike share pass and validated by BTS for the Metro system. This step requires sharing of limited data between TAP and bike share vendor(s). Planning staff is working with TAP and Metro Information Technology Services staff to develop a data exchange tool for this task. Bike share fares are associated with the bike share user's account and not with the TAP card itself. Customers using the bikeshare station for the first time and that do not have a TAP card can still use a valid credit/debit card to check out a bike.

Estimated Implementation Schedule: By the end of calendar year 2016.

Step 3 - Seamless User Interoperability

Create a seamless user experience where the account registration and/or payment for Metro transit services and multiple bike share vendors is linked. Staff anticipates that the development of a regional back-office and clearinghouse and/or the procurement of a third-party intermediary service provider will be required. Staff will continue to work collaboratively between departments to further refine the functions of this service and develop rough order of magnitude costs to inform a recommendation. However, it is anticipated that this clearinghouse and/or third-part intermediary should perform, at a minimum, the following functions and accommodate expansion of functions:

- Exchange of data for purse and account information.
- Enable transfers between Metro transit and bicycle services.
- Enable interoperability with other Countywide bicycle services such as Metro Bike Hubs.
- Enable interoperability between bike share vendors.

Estimated implementation Schedule: Metro Bike share Phase 2 Expansion

DETERMINATION OF SAFETY IMPACT

Implementing a Metro Countywide Bike Share fare structure and initiation and implementation of a phased bike share interoperability strategy will not have any adverse safety impacts on Metro employees and patrons.

FINANCIAL IMPACT

The FY16 budget includes \$7.78M for this project in cost center 4320, Project 405301 - 05.01 (Bike Share Program).

Since this is a multi-year project, the cost center manager and Chief Planning Officer will be responsible for budgeting the cost in future years, including any phase(s) the Board authorized to be exercised.

Impact to Budget

The sources of funds are toll revenue grant and other eligible and available local funds or general funds.

ALTERNATIVES CONSIDERED

The Board may choose not to approve a Metro Countywide Bike share fare structure or authorize the initiation and implementation of a multi-step bike share interoperability strategy. This alternative is not recommended, as it is not in line with previous Board direction.

NEXT STEPS

Staff will return to the Board in Spring 2016 with an update on the following items:

Title Sponsor

We are working with our bike share contractor, BTS to solicit a title sponsor. As was reported to the Board in September 2015, we are on schedule to launch the DTLA Pilot and are proceeding with a black bicycle that will provide flexibility to add sponsor placement with decals on the body, skirt guard, and basket at a later time.

Cash Payments and Subsidized Reduced Fares

We are exploring options for in-person and/or cash payment for the “Monthly” and/or “Flex” passes. We also continue to explore opportunities for providing subsidies to Metro Rider Relief and Reduced Fare Office participants, potentially utilizing JARC funds for the DTLA Pilot to “buy-down” subsidies as is done for transit.

Step 3: Seamless User Interoperability

We continue to evaluate options for Step 3 seamless user interoperability. We will return to the Board to request direction on the development of a clearinghouse and/ or the procurement of a third-party

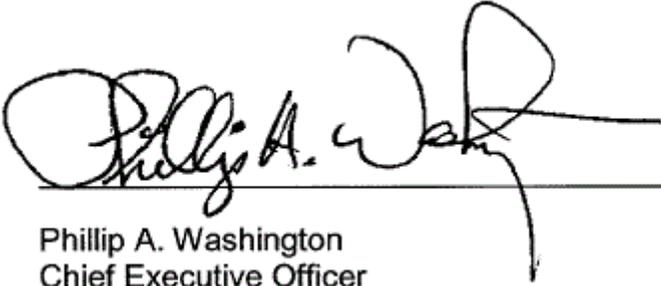
intermediary.

ATTACHMENTS

- Attachment A - Metro Bike Share Fare Structure
- Attachment B - Metro Board Motion 22.1, July 2015
- Attachment C - Bike Share Fare Structure in Other Cities
- Attachment D - Data Supporting Monthly Pass
- Attachment E - Fare Recovery Estimates Comparison Chart

Prepared by: Avital Shavit, Transportation Planning Manager, (213) 922-7518
Laura Cornejo, Deputy Executive Officer, (213) 922-2885
Diego Cardoso, Executive Officer, (213) 922-3076
Cal Hollis, Managing Executive Officer, (213) 922-7319

Reviewed by: Martha Welborne, FAIA, Chief Planning Officer, (213) 922-7267



Phillip A. Washington
Chief Executive Officer

Metro Bike Share Fare Structure

Monthly Pass

30 days, unlimited half-hour trips

30-Day Pass:

\$20

Unlimited **FREE**

trips up to
30 minutes each

+

\$1.75

per extra half hour

Flex Pass

Pay per trip

Annual fee:

\$40

\$1.75

per trip up to
30 minutes each

+

\$1.75

per extra half hour

WalkUp

Pay per trip

Pass Charge:

None

\$3.50

per trip up to
30 minutes each

+

\$3.50

per extra half hour



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2015-1093, File Type: Motion / Motion
Response

Agenda Number: 22.1

PLANNING AND PROGRAMMING COMMITTEE
JULY 15, 2015

Motion by:

Supervisor Ridley-Thomas

July 15, 2015

22.1, Relating to File ID 2015-0995
Next Steps for Implementing the Countywide Bikeshare Program

The Metro Board of Directors (Board) has expressed a strong commitment to deploy a Countywide Bikeshare Program as a first and last mile solution and as a practical option for inter-jurisdictional travel. A regionally-coordinated bikeshare program will reduce vehicle miles travelled, improve the accessibility of our transit system and enhance the overall livability of the region.

At the June 2015 Metro Board meeting, the Board awarded a bikeshare contract to Bicycle Transit Systems and instructed staff to move forward with the pilot phase of implementation in downtown Los Angeles. Metro should serve as the regional facilitator of a financially sustainable system and seamless user experience and work with communities throughout the region as they are prepared to join a Countywide Bikeshare Program. Some cities have already initiated efforts to establish bikeshare programs.

Metro should work with those jurisdictions to optimize opportunities for interoperability.

APPROVE **Ridley-Thomas Motion** that the Metro Board of Directors instruct the Chief Executive Officer to proceed as follows:

- A. Continue to work with the cities of Santa Monica and Long Beach, which have executed a contract and plan to move forward with an alternate bikeshare provider to achieve the Interoperability Objectives as presented at the June 2015 Board meeting, including title sponsorship, branding and marketing, membership reciprocity, reciprocal docks, a unified fare structure and data sharing;
- B. Consistent with the Interoperability Objectives, require that any city with an existing bikeshare vendor contract as of June 25, 2015, using a bikeshare system other than Metro's selected system, shall be eligible for up to 35% of operating and maintenance funding support from Metro on condition that the city or cities agree to fully participate in a Metro Countywide Bikeshare Title Sponsorship by reserving on bike title placement and associated branding for

Metro's Sponsor (including branding, color, and ad space on baskets, skirt guards and bike frame) and agree to meeting the other Interoperability Objectives, consistent with the agreement developed between Metro and the City of Los Angeles for the pilot phase of Metro's Countywide Bikeshare Program. Such cities shall also agree to participate in and provide data for the evaluation study described in Directive 8 below;

- C. Proceed with awarding Call for Projects funding to the Cities of Beverly Hills, Pasadena and West Hollywood, consistent with the staff recommendations for the 2015 Call for Projects, for the capital costs associated with their proposed bikeshare programs.
- D. Include in the 2015 Call for Projects bikeshare funding contracts, that if any of the cities select a bikeshare system other than Metro's, operations and maintenance funding will not be provided unless each city agrees to the Interoperability Objectives outlined above. All costs associated with providing duplicative dock or other systems within adjacent jurisdictions to enhance interoperability shall be borne by such cities and shall not be funded with Metro funds.
- E. Specify in future Call for Projects applications that any city requesting bikeshare funding for either capital and operations and maintenances expenses must commit to using Metro's selected vendor and Title Sponsorship, and other Interoperability Objectives;
- F. Engage Bicycle Transit Systems in accelerating the roll out of all identified project phases so that implementation can be accomplished no later than 2017. Staff shall work with each city to secure local funding commitments and report to the Board for specific approval of any expansion beyond the downtown Los Angeles Pilot, together with a proposed funding plan;
- G. Conduct additional feasibility studies and preliminary station placement assessments to incorporate the communities of Boyle Heights (centering around the Mariachi Plaza Gold Line Station), El Monte (centering around the Bus Station) and the Westside of Los Angeles (along the Exposition Line as well as Venice), as part of the Bikeshare Program; and
- H. Conduct an evaluation of the bike share systems operating within Los Angeles County after 12 months from the downtown Los Angeles Pilot launch date. Evaluation of the systems shall, at a minimum, address operations and user experience, including the following:

- 1. Timeliness and success of roll-out;
- 2. Experience of the respective agencies in working with their respective vendors;

3. Ability of bikeshare providers to meet performance criteria including bicycle distribution, removal and replacement of inoperable bicycles and cleanliness of bikeshare facilities;
 4. Customer satisfaction as measured by a survey;
 5. Fare structure;
 6. Equity/effectiveness serving disadvantaged community; and
 7. Bicycle use/behavioral change; and
- I. Once the independent evaluation of both systems is complete, the Board should consider funding for future bikeshare 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.

Other System Fares

City	Name	Vendor	Pass*	Pass Cost			Bikes	Membership	Riders/ Trips per year
				Annual	Monthly	Daily			
Phoenix	Grid	CycleHop	Yes	\$ 79	\$ 30	\$5/ hr	500	NA	NA
Santa Monica	Breeze	CycleHop	Yes	\$ 119	\$ 20	\$6/ hr	40	NA	NA
Philadelphia	Indego	B-cycle	Yes+	Flex Pass - \$10 + \$4/hr	\$ 30	\$4/ .5 hr	600		
Denver	None	B-cycle	Yes+	\$ 90	\$ 15	\$ 9	700	2,659	40,600
Minneapolis	Nice Ride	PBSC	Yes	\$ 65	\$ 30	\$ 5	1,300	3,521	37,103
Miami**	citibike	DecoBike	Yes	None	\$ 15	\$ 24	800	2,500	338,828
Chicago	Divvy	Motivate	Yes	\$ 75	None	\$ 9.95			
NYC	citiBike	Motivate	Yes	\$ 149	None	\$ 9.95	5,480	13,528	6,900,000
DC	Capital	Motivate	Yes	\$ 75	\$ 25	\$ 7	1,200	19,200	105,644
Boston	Hubway	Motivate	Yes	\$ 85	None	\$ 5	600	3,600	30,000
Bay Area	None	Motivate	Yes	\$ 88	None	\$ 9	700	5,900 annual	300,000
London	Santander	Cycles Devinci	Yes	£ 90.00	None	£ 2.00	11,500	163,205	5,747,362
Mexico City	EcoBici			\$ 25	None	\$ 6	6,000	180,000	4,798,870
Berlin****	Call-a-Bike	Deutsche Bahn	Yes+	€ 49.00	€ 9.00	€ 12.00	1,450	66,000	177,000*****
Taipei	YouBike	Giant	Yes	None	None	\$0.32 - 1.28 / hr	5,300	NA	12,000,000*****

* Conventional membership plan: unlimited number of 30 min trips and increasing additional fees after 30 to 45 mins per trip OR 60 mins total per day under Cyclehop. Commonly

** In units of stations per square mile in service area

*** Miami has a hybrid rental/ bikeshare program to address tourism market. Also has large protected environment for carefree bicycling.

**** Has the option of using Best Fare pricing. BahnCard bridges multiple modes and systems

Data Supporting Monthly Pass

Philadelphia Low-Income Focus Group:

- Sticker price is more important than total cost
- People will pay more overall if they can pay by the month (92% indicated prices above \$20)

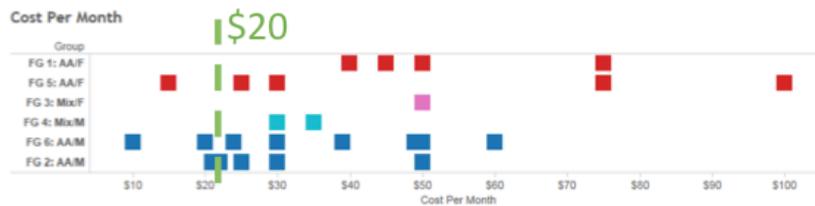


Figure 5. Cost Suggestions by Focus Group
 Source: NACTO. "Can Monthly Passes Improve Bike Share Equity?"
 Institute for Survey Research - Temple University. (2014).
 Bike Sharing in Low-Income Communities: An Analysis of Focus
 Group Findings. Philadelphia, PA: Hoe, N.D. & Kaloustian, T.K.

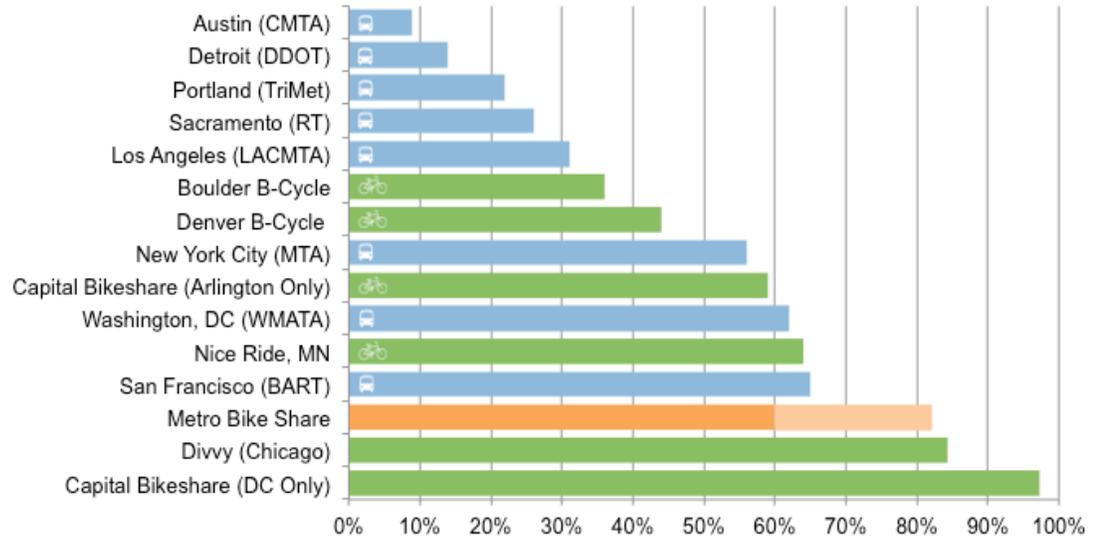
Low-income transit riders opt for more membership plan flexibility:



NACTO analysis of CTA, NYC MTA, and MBTA pass sales.

Fare Recovery Estimate

(Excluding Sponsorship & Advertising)



Source: National Transit Database (2012); Fehr & Peers via bike share operators; <http://www.chicagobusiness.com/article/20140529/NEWS02/140529774/divvy-peddled-to-las-in-13>; <http://www.usnews.com/news/articles/2012/04/17/bike-sharing-systems-arent-trying-to-peddle-for-profit>