



# CITY OF HAYWARD

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## Cover Memo

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**DATE:** December 10, 2015

**TO:** Council Sustainability Committee

**FROM:** Director of Utilities and Environmental Services

**SUBJECT**

Bicycle Sharing

**RECOMMENDATION**

That the Committee reviews and comments on this report.

**SUMMARY**

The Bay Area Bike Share (BABS) pilot program ran for one year with 700 bicycles and the Metropolitan Transportation Commission (MTC) is in the process of launching an expanded program with 7,000 bikes. In response to the Committee's direction, this report profiles BABS and two other programs to provide the Committee with an overview of the likely challenges and costs associated with establishing a bike sharing program in Hayward.

**BACKGROUND**

On September 11, 2014, staff presented the Committee with an overview of bicycle sharing (see Attachment I, Item 1). Committee members supported the idea of having a bicycle sharing program in Hayward, but acknowledged that Hayward is not as "bike-friendly" as it could be and that biking Downtown is currently difficult and can be unsafe. At the Committee's meeting on January 12, 2015, staff was asked to bring back the topic later in 2015.

Hayward's General Plan includes the following policies and implementation programs related to bicycle sharing.

*Policy M-1.2 Multimodal Choices* - The City shall promote development of an integrated, multi-modal transportation system that offers desirable choices among modes including pedestrian ways, public transportation, roadways, bikeways, rail, and aviation.

*Policy M-6.2 Encourage Bicycle Use* - The City shall encourage bicycle use in all neighborhoods, especially where short trips are most common.

*Policy M-7.1 Transit System* - The City shall support a connected transit system by improving connections between transit stops/stations and roadways, bikeways, and pedestrian facilities.

*Policy M-8.6 Car/Bike Sharing Programs* - The City shall assist businesses in developing and

implementing car and bike sharing programs, and shall encourage large employers (e.g., colleges, Hayward Unified School District (HUSD)) and the BART stations to host car and bike sharing programs available to the public.

Policy HQL-2.1 Physical Activity and the Built Environment - The City shall support new developments or infrastructure improvements in existing neighborhoods that enable people to drive less and walk, bike, or take public transit more.

Policy NR-2.10 Zero-Emission and Low-Emission Vehicle Use - The City shall encourage the use of zero-emission vehicles, low-emission vehicles, bicycles and other non-motorized vehicles, and car-sharing programs by requiring sufficient and convenient infrastructure and parking facilities throughout the City.

Implementation Program M-17: City Employee Car/Bike Share Programs - The City shall conduct a study that explores the development of car-sharing and/or bike sharing programs for City employees. Based on findings from the study, the City shall prepare and submit recommendations to the City Council about establishing such programs. (Responsible Department(s): Public Works - Engineering and Transportation; Supporting Department(s)/ Partner(s): City Manager, Development Services, Public Works - Utilities and Environmental Services, Human Resources; Implementation Timeframe: 2020 - 2040).

Bay Area Bike Share - The Bay Area Air Quality Management District (BAAQMD), in partnership with the Metropolitan Transportation Commission (MTC), launched the Bay Area Bike Share (BABS) program in August 2013. The pilot program, which concluded in August 2014, cost approximately \$7 million and was paid for with \$4.3 million in Congestion Mitigation and Air Quality (CMAQ) funds provided by MTC, \$1.4 million from the BAAQMD, and \$1.3 million from local agency partners. The program had 700 bikes deployed among 70 stations. At the conclusion of the pilot, user fees were making up approximately 90% of the operation and maintenance costs of BABS. However, public funds were necessary to cover the initial costs of purchasing and installing the kiosks and bikes. The pilot proved that bike sharing cannot be supported entirely by user fees. Most other bike sharing programs in North America use public funds to get started and transition to include sponsorship to help offset operational costs.

According to an article titled, *Why Aren't American Bike-Share Systems Living Up to Their Potential?* (Attachment I, Item 2), the standard for a successful program is 3.5 to 4 rides per bike per day. Keys to operating a successful program include: station density (1/4 mile maximum between stations), proximity to transit, and infrastructure (bike lanes). As shown in the table in Attachment I, Item 3, during the BABS pilot, the trips per bike per day ranged from 2.28 (San Francisco) to 0.06 (Redwood City). The usage in Redwood City, which is a city similar in some ways to Hayward, was less than one trip every two weeks for each bike. Cities with smaller networks and fewer stations typically see lower ridership. San Jose, Mountain View, Palo Alto, and Redwood City all under-performed with fewer than 0.4 trips per bike per day. One reason for the low usage levels in the under-performing cities was the number of bikes deployed in each city. According to San Francisco's bike sharing project manager, the critical mass for a program is approximately 300 to 500 bikes covering an area of two to three square miles.

## DISCUSSION

One challenge with establishing a bike sharing program in Hayward may be its lack of bicycling infrastructure. The Downtown Loop, completed in 2013, makes cycling in the Downtown area difficult.

There are major thoroughfares such as Mission Boulevard, Jackson Street, and Hesperian Boulevard that are lacking bike lanes and there are few options for safe east-west travel across the 880 freeway. Bicycling and pedestrian circulation improvements will be identified in the Downtown Specific Plan and in 2016, the Engineering and Transportation Department will begin an update of the Bicycle Master Plan. Staff recommends that the feasibility of a bike sharing program in Hayward be carefully considered in the new Bicycle Master Plan.

Demographics - As noted in the September 2014 report to the Committee, Hayward has relatively low numbers of bicycle commuters. The table in Attachment I, Item 4, provided in the 2014 report, has been updated to include 2014 data from the U.S. Census Bureau and shows that only 0.7 percent of workers in Hayward commute by bicycle while the California average is 1.2 percent. The peninsula cities of Redwood City, Mountain View, and Palo Alto range from 3.5 percent to 7.3 percent.

One question that should be asked prior to establishing a bike share program is, "Who will benefit from bike sharing?" According to the Washington Post, "the people most likely to bike or walk to work are either the least educated in society or the most educated" (Attachment I, Item 5). According to a recent article by the Kinder Institute for Urban Research (Attachment I, Item 6), many low income people only bike because they can't afford a car. It is possible that if bike sharing were offered near the Hayward BART stations, it would be used by people visiting Hayward for business or pleasure and not by commuters.

Many bike sharing programs have struggled to attract low income users; however, most programs have modest fees for annual pass holders. Many large bike share programs have monthly fees of \$15 to \$20 for annual pass holders. BABS will offer a monthly fee of approximately \$6 for low income users. Some reasons for low ridership among low income populations have been offered by people studying bike sharing:

- Convenience - Stations have been located in job centers and tourist areas, but not in lower income neighborhoods where people live.
- Payment Structure - Confusing fee structures and requirements for a credit card - and sometimes a smart phone.
- Reliability - Bikes may not always be available when you need them. For people who need dependable transportation to arrive at work on time, some may find it easier to purchase an inexpensive bike of their own.

In addition to the challenges cited above, sources of funding have yet to be identified for a bike sharing program in Hayward. Following are profiles of three bike sharing programs to provide more information about potential system sizes, costs, and funding sources.

BABS Expansion - A working group convened by MTC and the BAAQMD identified the cities for the BABS expansion based on potential areas with high ridership. Other considerations included cities' ability to contribute to operational expenses and access for disadvantaged communities.

In May 2015, MTC approved an expansion of BABS to deploy 7,000 bikes in five cities in 2016 and 2017:

4,500	San Francisco
1,000	San Jose

850 Oakland  
400 Berkeley  
100 Emeryville

The cities of Mountain View, Palo Alto, and Redwood City were not selected for the expansion due to their low ridership levels during the pilot program.

Motivate will be the operator of the Bay Area Bike Share program. Motivate is based in New York and operates programs in New York City, Boston, MA, Washington D.C., Columbus, OH, and Toronto, ON. The BABS program has contracted with Motivate for a ten-year period for approximately \$6.5 million per year or approximately \$930 per bike per year.

San Francisco will have approximately twenty stations per square mile in the expanded program. According to the bike sharing project manager at the San Francisco Municipal Transportation Agency (SFMTA), one of the guiding principles when deciding where to locate stations is topography. He noted that slope should not be an equally weighted characteristic - it should be a screening criteria. San Francisco will locate stations based on population and employment density in the flatter portions of the city.

In addition to the above expansion program, MTC allocated \$4.5 million for capital costs to establish bike sharing in jurisdictions other than the five cities identified. MTC plans to conduct a call for projects to solicit interest from communities after contracting for the expansion is complete.

CSU East Bay - CSUEB launched a program with Zagster in October 2014 with ten bikes and two stations ( <http://zagster.com/csueb/> ). Zagster is based in Cambridge, Massachusetts and has more than 75 programs in cities, corporate campuses and universities including Kennesaw, GA, Detroit, MI, Yale University, Cleveland, OH, and General Motors. Zagster uses a “Tech-on-bike” technology with a locking mechanism that stays on the bike which allows a system without stations or kiosks. Most bike sharing programs require stations to lock bikes. If all the racks are full, the user must find another station to leave the bike.

After an initial \$3,000 setup/implementation fee, the cost of the program is \$13,200 per year for the ten bikes, or \$1,320 per bike each year. Zagster allows the University to set the fees. To encourage use of the bikes, they decided to offer the first three hours of each rental for free. After that, they charge \$2 per hour up to a maximum of \$10 per rental. Since October 2014, ridership has averaged approximately 0.4 trips per bike per day.

San Mateo - San Mateo’s pilot program was approved on November 16, 2015, to use bicycles from Social Bicycles (SoBi), a San Francisco-based company which has programs in many North American cities including Tampa, FL, Phoenix, AZ, Topeka, KS, and Buffalo, NY. SoBi also has 100 bikes at Bishop Ranch where users can pay for rentals with a Clipper Card ( <http://britebikes.socialbicycles.com/> ). SoBi bikes are similar to Zagster in that they do not need stations or kiosks, but most SoBi programs do have stations. However, there are a few that are entirely “floating,” where users access a map on a smart phone to know the boundaries where bicycles may be left.

Daily operations (maintenance and bike redistribution) for San Mateo’s program will be handled by a company called Bikes Make Life Better. San Mateo had lobbied to be part of first Bay Area pilot as well as the expanded program. Startup costs are \$85,000 and operations will cost is \$1,800 per bike per year. San

Mateo is hoping to obtain sponsorships to offset operation costs. San Mateo plans to launch in the spring of 2016 and will use existing bike racks (no docking stations).


## **NEXT STEPS**

Staff recommends that Hayward's bicycling infrastructure be improved before pursuing a bicycling sharing program. Staff will coordinate with the Development Services and Engineering and Transportation Departments to bring to the Committee pedestrian and bicycling infrastructure improvements identified in the draft Downtown Specific Plan. In addition, revisions to the Bicycle Master Plan will be presented to the Committee in an effort to make Hayward a more bike-friendly town. As called for in the General Plan Implementation Program M-17 (City Employee Car/Bike Share Programs), staff recommends that bike sharing be reconsidered after 2020.

*Prepared by:* Erik Pearson, Environmental Services Manager

*Recommended by:* Alex Ameri, Director of Utilities and Environmental Services

Approved by:



Fran David, City Manager

Attachments:

Attachment I

Web-links and Tables