



Board Report

File #: 2015-1436, File Type: Program

Agenda Number: 10.

REVISED
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

- 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.

Building upon bike share industry lessons learned, the Metro Bike Share system will first be open to pass holders. This pass holder preview period will allow us to ensure the system is performing as expected and to encourage bike share users to register as pass holders. After the initial pass holders preview, which will not exceed one month, the system will be open to the public at large. In order to encourage casual users to try bike share and in response to direction received from the Planning and Programming Committee, walk-up users will receive a one month promotional walk-up rate of \$1.75 per 30 minute trip. The walk-up rate will revert to \$3.50 after the promotion period expires. Staff is

exploring a number of other promotional activities in connection with the system launch. One such activity will be aimed at encouraging pass holder registrations during the preview period. Staff will work collaboratively with Communications to ensure all marketing and outreach materials are clear and to maximize opportunities to reach potential bike share users.

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

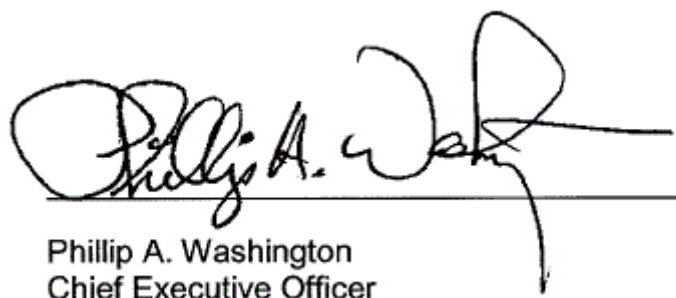
We continue to evaluate options for Step 3 seamless user interoperability. We will return to the Board to request direction on the development of a clearinghouse and/ or the procurement of a third-party intermediary.

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