



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2019

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

**SUBJECT: CITY BICYCLE EQUIPMENT AND FACILITIES RENTAL PROGRAM –
AMENDMENT OF RENTAL FEES - RESOLUTION**

ISSUE:

Adopt a resolution to amend the City Bicycle Equipment and Facilities Rental Program Fees Schedule to modify Bike Riverside rental rates and allow for promotion of the Program.

RECOMMENDATIONS:

That the City Council:

1. Approve an update to the Fiscal Year 2019-20 fees and charges for Public Works, revising bicycle related user fees; and
2. Adopt a resolution amending the schedule of fees and charges for City service in the Public Works Department to revise fees related to the rental of bicycle equipment and facilities.

BACKGROUND:

On April 3, 2018, City Council unanimously approved a Services Agreement with Bewegen Technologies Inc. to plan and implement the Citywide Bicycle Share Program. The program, which is operated by Bewegen and its subcontractor Corps Logistics through 2020, has been branded as Bike Riverside. The initial phase of Bike Riverside included planning, equipment and deployment of a seven station system with 55 pedal assist bikes. The total project cost of \$333,943 was approved by City Council and is funded with a combination of Congestion Mitigation and Air Quality (CMAQ) Grant funding, Active Transportation Program (ATP) Cycle I grant funding, and Air Quality Management District (AQMD) funding.

Terms of the agreement with Bewegen grant them all revenue from the program, including rental fees. In return, Bewegen covers all operational costs. These terms may be renegotiated upon the sunset of the agreement in October 2020.

On October 23, 2018, City Council approved the implementation of the City Bicycle Equipment and Facilities Rental Program. A resolution was also adopted to authorize and establish a

schedule of fees and charges related to the rental of City bicycle equipment and facilities, including fees associated with Bike Riverside.

DISCUSSION:

Earlier this year, Bewegen Technologies conducted a companywide evaluation of all their systems, including Bike Riverside. They assessed user demands, inflation, and local competing services. Based on those assessments, Bewegen decided to restructure their pricing and identified key objectives for each individual system. The following objectives were set for Bike Riverside:

1. Further encourage residents to adopt longer term memberships as they rely more on the system.
2. Promote and encourage a higher percentage of transit and utilitarian trips versus leisure/recreational trips.
3. Assimilate with the price structure of nearby bike share and other shared mobility services.
4. Promote Bike Riverside and introduce new riders to the system by offering free or discounted passes.

Rental Fee Revisions

Fee restructuring objectives were heavily influenced by current ridership patterns, which show only 3% of the system's ridership is by long term members. Bewegen is suggesting slight changes to time allotments to encourage a shift for some occasional users to become long term members.

Currently, the included time allotment is the same for Month, Day, and Single Trip/Go Passes. By reducing the included time allotment for Day and Single Trip/Go Passes, users will get a longer time allotment with the purchase of a Monthly or Annual Pass, thus creating more incentive for users to opt for a long term membership.

When a rental exceeds the included time allotment, they are subject to Extra Ride Time Fees. Bewegen found Bike Riverside to have a higher percentage of long, recreational trips than other similar systems and recognized a need to stimulate greater turnover of the bikes and encourage shorter, transit and utilitarian trips.

Users currently pay \$2.00 for up to 30 minutes of additional ride time. Bewegen is proposing a change of extra ride time from 30 minute to per minute increments to achieve greater turnover by enticing users to make shorter trips.

Bewegen looked at other neighboring bike share systems with a similar fee structure to determine a cost for extra ride time. Fees for other shared mobility services, such as electric scooters, were also taken in consideration. The proposed Extra Ride Time fee of \$0.15 per minute will further encourage shorter trips, while keeping Bike Riverside competitive with other shared mobility services.

In addition to the changes geared towards reshaping the system's overall ridership, small changes are being recommended to make the system more approachable and user friendly.

Bewegen has proposed the rebrand and consolidation of the Go Pass and Single Trip fare to the Pay Per Ride Pass. The Pay Per Ride pass consolidates the features and functions of the Single Trip and Go Passes, eliminating the need for users to choose between two very similar options. The rebrand will concisely communicate the type of pass to users as well as make it more consistent with industry terminology.

No changes are proposed for the monthly and annual passes. Damaged bike and lost or stolen bike replacement fees will also go unchanged. Proposed changes to the fee schedule are highlighted in the chart below:

Type	Rides	Current Ride Time	Current Cost	Proposed Ride Time	Proposed Cost
Day Pass	Unlimited	45 minutes	\$6.00	30 minutes	\$6.00
Go Pass	1	45 minutes	\$2.00	-	Discontinue
Single Trip (Express checkout)	1	45 minutes	\$2.00	-	Discontinue
Pay Per Ride Pass (New)	1	45 minutes*	\$2.00*	30 minutes	\$2.00
Extra Ride Time	N/A	30 minutes	\$2.00	Per minute	\$0.15

*Time allotment and fee reflect the Go Pass for comparison.

Promotional Rates

Bike Riverside was launched as part of the City's efforts to reshape the community towards living a more active and sustainable lifestyle. One of the ways that bike share systems achieve this goal is through the creation of a loyal, diverse and equitable user base that regularly makes use of the system.

It's important to note that changing such habits within communities can be arduous. People may be unfamiliar with bike share systems, electric-assist bicycles, or cycling in an urban environment. In order to break down the barriers for large segments of the population to try the system, Bewegen is proposing to implement promotions for free or discounted bike share rides and memberships.

Operating 18 systems worldwide, Bewegen has seen a great amount of success in increasing ridership and growing a user base by offering free and discounted promotional passes. They designed the Bike Riverside system to seamlessly implement a variety of promotional options that are easily redeemable on the mobile application or directly at a station kiosk.

Promotional rates would be distributed via single-use promo codes. Examples of distribution include:

1. Info booths at local conventions, expos, special event, sporting events, and community events.

2. Through social media, the Bike Riverside website, and partnering websites:
 - a. In conjunction with special events, such as the Festival of Lights.
 - b. On holidays and for seasonal events such as back to school and spring break.
3. To reward and highlight loyal Bike Riverside pass holders.

The proposed promotional rates are as follows:

Type	Rides	Current Ride Time	Promotional Rate
Free Monthly Pass	Unlimited	45 minutes	\$0.00
Discounted Monthly Pass	Unlimited	45 minutes	\$10.00
Free Day Pass	Unlimited	30 minutes	\$0.00
Free Ride Pass	1	30 minutes	\$0.00

FISCAL IMPACT:

There are no fiscal impacts associated with the proposed revisions to the Bike Rental Program, as Bewegen Technologies Inc. collects all revenue from the program and in return, pays all operational costs through the initial agreement term ending October 2020.

Prepared by: Kris Martinez, Public Works Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
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Approved as to form: Gary G. Geuss, City Attorney

Attachment: Resolution