

# Agenda Report

October 10, 2016

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Transportation

**SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACT WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) FOR THE METRO COUNTYWIDE BIKE SHARE PROGRAM**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the following proposed actions are exempt from review pursuant to the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines Section 15061 (b) (3);
2. Authorize the City Manager to execute all agreements associated with the Pasadena Bike Share Program and enter into a contract with the Los Angeles County Metropolitan Transportation Authority (Metro) for the Countywide Bikeshare Program; and
3. Amend Fiscal Year 2017 Operating Budget to increase appropriations in Measure R account 23624043-811400 by \$850,265 for the initial capital and operating costs for the first of the two-year pilot Bikeshare Program.

## **BACKGROUND:**

The Mobility Element of the General Plan recognizes the value of the City of Pasadena becoming more bicycle-friendly. The City wishes to offer opportunities for healthier lifestyles, reduce dependence on autos to reduce global warming gases and air pollution, reduce energy consumption, improve pedestrian and bicycle safety, and create more desirable neighborhoods. To that end, the City has taken a leadership role in sustainable transportation and implementing Complete Streets. Complete Streets is an approach to the planning, design, and operation of Pasadena's transportation system that works to keep streets safe for people of all ages and abilities, balances the

needs of different travel modes, and supports economic vitality and neighborhood character.

Bikeshare is a program designed for point-to-point short trips using a shared fleet of bicycles strategically located at docking stations throughout a well-defined area. Bikeshare can help address first and last mile gaps around transit stations and between City destinations and is a great opportunity to introduce users to bike transportation by removing the barriers of bicycle ownership, maintenance, and security. More importantly it can increase mobility while decreasing vehicle use.

Metro has designated the City of Pasadena to be part of the second phase roll out for the Regional Countywide Bike Share Program (Downtown Los Angeles is Phase I). Metro's goal for the program is to improve the commuter experience with public transportation by shared use of a bicycle. The Department of Transportation applied for and was awarded a 2015 Metro Call for Projects grant to participate in Metro's Countywide Bikeshare Program. With continued investment in bicycle infrastructure, bikeshare can encourage transit ridership, reduce automobile use in the Central District and improve access to City destinations.

A Memorandum of Understanding (MOU) is in negotiation with Metro that would provide approximately 34 stations for the Bike Share Program in Pasadena. Under the terms of the MOU, Metro is the lead agency that would operate the regional bikeshare stations on City of Pasadena right-of-way. Below are highlights of the proposed MOU:

- The local match for the 2015 Call for Project funding for Pasadena Bikeshare Capital Costs will be met as follows:
  - \$381,854 in hard match that is eligible for Measure R funding
  - \$572,781 in-kind match may include warehouse space lease, public relations support costs, and non-infrastructure educational outreach, etc.
- The program is a two-year pilot with an option to extend the contract for four additional years.
- The financial participation is set at a 35/65 percent (Metro/City) split for Operation and Maintenance (O&M).
- The agreement outlines the roles and responsibilities of Metro and the City by setting procedures for reimbursement of the capital and O&M costs, the rights of advertisement/sponsorship, the delivery of bikeshare station locations, early termination provisions, cost overruns, and revenue reconciliation.
- Metro Bikeshare expansion is pending Metro Board approval on October 27, 2016.

Metro's Board approved a Bikeshare Fare Structure that consists of three different pass options. These pass options are designed to meet the needs of every potential bikeshare user and to provide for regional interoperability such that a Pasadena-based bikeshare user would be able to use Metro Bikeshare at all other locations in LA County

<b>Monthly Pass</b> 30 days, unlimited half-hour trips	<b>Flex Pass</b> Pay per trip	<b>Walk Up</b> Pay per trip
30 day pass \$20	Annual Fee \$40	Pass Charge None
Unlimited Free trips up to 30 minutes	\$1.75 per trip up to 30 minutes	\$3.50 per trip up 30 minutes
\$1.75 per extra half hour	\$1.75 per extra half hour	\$3.50 per extra half hour

On September 15, 2015, the Metro Board approved funding in the amount of \$1,909,270 for the Pasadena Bike Share Program as part of the 2015 Call for projects. This amount was later adjusted to \$2,071,574 to reflect changes in program costs. The Board requires a 50% capital contribution by participating agencies. The City's contribution consists of 20% (\$381,854) cash contribution and 30% in-kind match (\$572,781) of the original funding of \$1,909,270. In-kind match requirements may include City lease of public right-of-way costs, warehouse space lease, public relations support costs, and non-infrastructure educational outreach.

<b>Metro's Call For Project Grant</b>	<b>\$954,635</b>
City's 20% Cash Match	\$381,854
City's 30% in-kind Match	\$572,781

The revised total capital project cost of \$2,071,574 has not changed the original City's commitment and will be funded as follows:

<b>Metro's Call for Project Grant</b>	<b>\$954,635</b>
City's 20% Cash Match	\$381,854
<b>Total City's Capital Hard Match</b>	<b>\$1,336,489</b>
Metro's Capital Contribution	\$735,085
<b>Total Project's Capital Cost</b>	<b>\$2,071,574</b>

The Metro Board requires that Operations & Maintenance (O&M) costs be shared at 65% City and 35% Metro. The O&M costs supplied by Metro are estimates based on other bikeshare programs in the country. The City's portion of the estimated O&M costs for the two-year pilot is as shown below:

	<b>FY2017</b>	<b>FY2018</b>
<b>O&amp;M Annual Costs (City)</b>	\$468,411	\$1,260,663

Bikeshare fare box revenues will be used to offset O&M costs. The City will receive credit for its share of bikeshare fare box revenue for trips that originate within the City. Annual and monthly passes will be credited based on a member's proportional use in Pasadena. To further offset the O&M costs, Metro is actively seeking a title sponsor for the program. On-bike title sponsorship revenue would be first applied towards Metro's financial commitment and the remaining revenues would be then applied towards the City's portion of O&M costs. The City would retain the right to sell advertising or sponsorship at the bikeshare stations which could be used to offset the City's portion of

the O&M costs directly. The range of potential O&M costs with these three funding sources in place are illustrated in the below:

O&M Annual Costs (City)	FY2017	FY2018
No Revenue	\$468,411	\$1,260,663
60% fare box revenue	\$468,411	\$504,265
60% fare box revenue and Title Sponsor revenue	\$468,411	\$260,168

Metro anticipates that the search for a title sponsor will conclude in 18 months. Trends in fare box revenue from the Downtown Los Angeles Bikeshare pilot, which has already served over 50,000 rides in the first three months of operation, will be monitored and used to refine the O&M costs for the Pasadena Pilot. Advertising revenue from the 34 stations in Pasadena is estimated to be on the order of \$120,000 annually.

#### **COMMUNITY OUTREACH:**

The Department has been working collectively with the Old Pasadena Management District, Complete Streets Coalition, South Lake Business Association, Downtown Pasadena Neighborhood Association, Transportation Advisory Commission, Playhouse District Association, and Pasadena Heritage to describe the program and identify proposed locations for these bikeshare stations. An informational presentation about the Bike Share Program was made to the Municipal Services Committee on April 12, 2016.

#### **COUNCIL POLICY CONSIDERATION:**

Bikeshare supports the General Plan guiding principle where "Pasadena will be a city where people can circulate without a car." The program will directly assist the Department of Transportation in implementing the three major objectives of the Mobility Element:

- Enhance Livability.
- Encourage walking, biking, transit and other alternatives to motor vehicles.
- Create a supportive climate for economic vitality.

The Mobility Element established Policy 2.11 *Explore bicycle share programs or any other bicycle programs that will provide greater access to bicycles for visitors or those that may not own a bicycle.* This policy evolved from extensive public outreach that indicated programs such as bikeshare should be actualized in the City as a transportation mode.

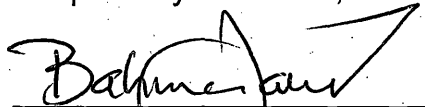
**FISCAL IMPACT:**

The cost of this action for Fiscal Year 2017 is \$850,265, see chart below. Funding will be addressed by the utilization of existing fund balance of \$1,395,617 in Measure R Fund 236 for the recommended appropriation of \$850,265 in account 23624043-811400. The second year O&M cost of up to \$1,260,663 to conclude this two-year pilot program will be included in the FY 2018 Recommended Operating Budget. As off-setting revenue sources become available over the next 18 months, the City's net share of the O&M costs will be reduced.

<b>FUNDING SOURCE for No fare box Revenue</b>	<b>FY 2017 Funds Available</b>	<b>FY 2018 Funds Available</b>
Fund 236 Measure R (Initial Capital Cost)	\$381,854	
Fund 236 Measure R (O&M Cost)	\$468,411	\$1,260,663
<b>TOTAL PILOT PROJECT COST</b>	<b>\$850,265</b>	<b>\$1,260,663</b>

The contract for the two-year pilot includes an option to extend for four additional years for six years total. The annual cost for the optional years is projected to be equivalent to the Fiscal Year 2018 costs.

Respectfully submitted,

  
for FREDERICK C. DOCK  
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