

**CITY OF BOULDER
TRANSPORTATION ADVISORY BOARD AGENDA ITEM**

MEETING DATE: October 12, 2020

INFORMATION ITEM:

Staff briefing and TAB feedback regarding Boulder Bike Share/B-cycle Strategic Plan Result and Next Steps

STAFF:

Erika Vandenbrande, Director of Transportation and Mobility
Natalie Stiffler, Deputy Director of Transportation and Mobility
Chris Hagelin, Acting GO Boulder Manager
Dave “DK” Kemp, Senior Transportation Planner

EXECUTIVE SUMMARY

The purpose of the item is to update TAB on the Boulder Bike Share (BBS) Strategic Planning process, and to receive feedback on micromobility provider options as part of Boulder’s Shared Micromobility Program.

On [January 28, 2020](#) staff presented information and a recommendation to continue to invest in Boulder Bike Share as the sole bikeshare provider in the City of Boulder. Since then, Boulder Bike Share underwent a Strategic Planning process, and council adopted two ordinances to allow for the business licensing of [dockless e-bikes](#), and [e-scooters](#) in the City of Boulder. With new information from Boulder Bike Share’s strategic planning process, and the recent changes to the local regulatory environment to include e-bikes and e-scooters in the shared micromobility program, staff has been working with key stakeholders to develop the framework of a Shared Micromobility Program that will launch in Spring 2021. In addition to the changes to the city’s regulatory landscape, the city’s budget has also been significantly impacted by COVID-19 and provides staff with an opportunity to consider the appropriate level of financial investment in a shared micromobility program.

The Shared Micromobility Program will seek to provide a variety of shared mobility options including e-bike and e-scooter share. Currently, the city contracts with Boulder Bike Share, a local non-profit organization, to provide bikeshare service to the community using B-Cycle LLC’s platform. Staff is evaluating scenarios that include to continue to contract with Boulder Bike Share, to consider contracting with a national/international private operator for bikeshare and other micromobility services in the community, or a hybrid approach.

At this point, staff has not identified a preferred scenario as we are seeking feedback from TAB on the potential service provider scenarios, and the criteria used to evaluate each option as we prepare of the upcoming study session with Council on October 27th. Following the study session, and further evaluation, TAB’s feedback will inform staff’s recommendation and

eventually the selection of a provider(s) through the Request for Proposal process planned for later this year.

BACKGROUND

Bike share is a system is of short-term bicycle rental that provides an important mobility option that can replace single-occupant vehicle trips and enable first and final mile trips to transit stops. Boulder's Transportation Master Plan (TMP) seeks to reduce vehicle trips and vehicle-related emissions and bike share is a critical component of the city's multimodal system. The city's bike share system, operated by the non-profit Boulder Bike Share, was implemented in 2011 through an RFP process and with initial funding from the Department of Energy.

Today, Boulder Bike Share is comprised of a fleet of 300 human-powered bikes and 45 stations. Since 2017, the B-cycle system has averaged approximately 105,000 trips each year, about 1 trip per bike per day, with this factor fluctuating significantly with the seasons. B-Cycle serves approximately 15,000 individual users. In recent years, there has been approximately a 60/40 split on rides taken by community members (60%), and those community members affiliated with CU Boulder (40%)

Like many other early bikeshare programs across the United States, Boulder Bike Share began in 2011 with a funding model dependent on annual and corporate sponsorships to fund operations and maintenance. Over time, this model has proven to be unsustainable for bikeshare programs across the country, particularly when the presenting sponsor withdraws its funding. Boulder Bike Share staff has acquired sponsorship funds for over eight years and has shown flexibility by adjusting its operations to meet budget constraints, but the loss of its presenting sponsor was significant. The reliance of sponsorship funds placed the organization in a vulnerable position to maintain their system, much less, expand or evolve.

Boulder Bike Share operations and maintenance is currently funded through a combination of sources including sponsorship agreements (primary), revenue from four different pass options, and an annual subsidy provided by the city of Boulder.

Between 2011-2015, the City of Boulder contributed \$375,000 through direct purchase or as local grant match to acquire capital equipment in the form of bikes and docking stations. Through the local matches, City of Boulder leveraged an additional \$773,000 through state and federal grant programs to purchase additional capital equipment between 2011-2013.

Since 2014, the City of Boulder has subsidized Boulder Bike Share with \$65,000 annually. This subsidy is provided by the Transportation Division (\$50,000) and by Community Vitality (\$15,000) through its master and sponsorship agreements. This subsidy has historically equated to approximately \$0.65 per ride.

In 2019, the City of Boulder contributed \$80,000 due to Boulder Bike Share's loss of their presenting sponsor Kaiser-Permanente. Without that contribution, Boulder Bike Share would have ceased operations in November 2019. The city's combined subsidy in 2019 was \$145,000 which equates to approximately \$1.45 per ride.

In 2020, the City of Boulder provided \$117,000 for operations and maintenance. CU Boulder and Boulder County also increased their funding contribution level. Historically, CU Boulder contributed \$15-20,000 annual through corporate membership program and in 2020, contributed \$78,000. Boulder County has historically contributed \$5,000 through an annual sponsorship and in 2020.

Since 2011, the City of Boulder has contributed, in total, \$663,000 toward B-Cycle's operations and maintenance expenditures.

Boulder Bike Share Expenditures (2011-2020)	City Contribution	Federal Contribution
Capital (bikes and stations)	\$375,000	\$773,000
Operations and Maintenance	\$663,000	\$0
Total	\$1,038,000	\$773,000

Results of Boulder Bike Share Strategic Plan

Over the past several months, Boulder Bike Share (BBS) along with staff from the City of Boulder, CU Boulder and Boulder County has set out to update and condense the organization's mission and vision after nearly a decade of operation and to determine a viable path forward for the organization. **Attachment A** is the full Executive Summary of the report and below are a few highlights directly from their report:

- Vision/Mission:** The following combined purpose statement is being reviewed by the Boulder Bike Sharing board:

"BBS makes getting around on shared devices accessible, safe, fun, and environmentally responsible for all ages and abilities."
- Stakeholder engagement:** The updated strategic planning executive summary details outreach efforts, including 35 stakeholder interviews and surveying 285 Boulder Bike Share riders. Current B-Cycle riders' value positive environmental impact, affordability, and safety most highly.
- Current performance (City of Boulder/CU Boulder – since January 2020):** In 2020, system use was down approximately 60% from April-July (revenue was down around 40% during this time), though both August and September have set new system lifetime monthly use records, with bikes averaging 3 trips/bike/day since the CU fall semester began.
- Business Model Recommendation: Private Partnership with Revenue Share:** BBS will continue to partner with a private company. Going forward, this is accomplished

through a revenue share agreement or with BBS as a contractor. BBS may not own the equipment, but will operate the system, leveraging its existing relationships and knowledge of the community. BBS has responded to the City of Boulder's RFI and, in partnership with a private company, BBS intends to respond to the City's upcoming micromobility RFP to secure ongoing permits. BBS will continue to pursue opportunities for regional expansion of service, which holds promise for both financial sustainability and regional-mode share impact.

ANALYSIS

The 2019 Transportation Master Plan identifies the development of a shared micromobility program that provides safe and sustainable transportation options for first and final mile travel.

Staff has identified six key goal areas that are fundamental to the success of a shared micromobility program and are consistent with the 2019 Transportation Master Plan Goals. They include:

- Safety - (*Vehicle Design/Operations*)
- Financial Viability - (*Sustainable business model*)
- Equity (*affordability/inclusivity*)
- Environmental Sustainability (*device lifespan, mode shift from SOV*)
- State of the Art Technology (*equipment/data sharing*)
- Accessibility (*broad service area, predictability, dynamic fleet size*)

In both 2020 and 2021 the Transportation & Mobility department has had to make budget reductions of over \$4M due to the impacts of COVID-19. The level of funding the City of Boulder can contribute is a key decision point in terms of how we move forward. Staff recognizes the return on investment that Boulder Bike Share has provided over the years; however, the level of subsidy required to keep Boulder Bike Share operational is not financially viable with existing city transportation funds. The ability to subsidize a shared micromobility system is constrained by limited public resource and we must examine partnership scenarios within the private sector in order to provide the type of devices desired by our community, as well as, the added benefit of improving data collection, accessibility and equity.

Description of Micromobility Provider Scenarios:

Through the development of a new shared micromobility program that includes devices, such as, electric-assist bikes and electric-powered scooters, staff has identified a range of options to consider as we move forward. Staff has also identified criteria and evaluated each scenario to inform how we proceed in the development of a shared micromobility program. **Attachment B** provides a matrix illustrating the evaluation of the service scenarios.

Scenario A: New Private Sector Service Provider (New Platform): Through an RFP process, the city will select a new private sector provider to operate their bike share platform. The existing B-Cycle docked system would be dismantled and the BSS non-profit organization would be dissolved.

Scenario B: New Private Sector Service Provider (New Platform) - Operated by BBS: Through an RFP process, the existing B-Cycle platform would be dismantled and replaced by new platform. BBS would operate the new platform through a franchise model.

Scenario C: B-Cycle, LCC Operates Existing Platform: With or without a partnership with BBS.

Scenario D: BBS continues to operate existing B-Cycle platform: Through on-going, annual city subsidy from the general fund, BBS operates the existing platform. The level of the city investment would dictate the pace of technology improvement as the existing docked system is replaced with a dockless e-bike platform. The level of investment needed to expand and evolve the existing system would require money from the city's general fund as it would be above Transportation and Mobility's current resources.

Evaluation Criteria: The criteria used to evaluate the service provision scenarios are directly related to the above goals of the city's Shared Micromobility program with one additional criterion related to responsiveness to operational issues.

- **Safety:** The safety of devices used by the service provider platform and education of users.
- **Financial Viability:** The long-term viability of the service provider to remain in business given the nature of the shared micromobility environment and profitability and estimated on-going annual cost to the city and other capital investments or revenue to the city from business license fees from private sector service providers.
- **Equity:** The degree to which low-income and minority populations have access to the service and the cost of using the service.
- **Environmental Sustainability:** The degree to which the service provider's bike share platform encourages travel behavior change to meet the wide variety of the city's transportation and climate goals and the environmental sustainability of the devices and platform.
- **State of the Art Technology and Innovation:** The level of technology and innovation that service providers can implement with their bike share platform and the level of data access and sharing with the city.
- **Accessibility:** The ability of the service provider to respond to demand with expansion of geographic coverage and dynamic fleet size.
- **Responsiveness to Operational issues:** The ability of the service provider to respond to operational issues identified by the city, community, and users quickly and effectively.

Each of the scenarios described above and evaluated in **Attachment B** present tradeoffs with regards to local control, financial impact, aging infrastructure, geographic equity, technology and data sharing and accessibility.

To expand upon the identified evaluation criteria, we must recognize varying levels of influence and financial risk. For example, a subsidized shared micromobility system could allow a municipality more influence in terms of program retention and long-term plans for expansion and innovation in relation to the private sector's need to make a profit. The risk is the reliance on dedicated funding to subsidize capital and operations on an ongoing basis and the additional investments needed for technology innovation. As sales tax revenue varies from year to year, the ability to increasingly subsidize a growing program may prove difficult.

The introduction of a private sector partner brings less of a reliance of local subsidies to maintain operations; however, if a private sector partner experiences issues with anticipated profitability vs. operational costs, the private sector partner may choose to exit a market. A sudden change could cause potential gaps in shared micromobility services and require the city to find another service provider.

Another consideration is the on-going investment in an aging B-Cycle system. The B-Cycle bikes and docks have approached the ten-year mark and the lifecycle of this equipment is near its end. Boulder Bike Share has done a tremendous job at maintaining their bikes and equipment so that the equipment is safe and reliable. However, the implications of continuing to invest in an old system when newer and electric-assist technology exists need to be considered.

Lastly, there is valuable data that can be gleaned from new devices and their associated mobile platforms vs. the current B-Cycle system. At this point, staff is only able to analyze bike check-out/check-in statistics. We are unable to understand the routes by which people choose to take throughout the city. From a planning standpoint, this would be helpful data to help prioritize transportation projects and quantify the number of trips and bicycle miles traveled on annual basis.

Based on continued evaluation, and input from TAB and council, staff will proceed with the solicitation for a provider(s) for a new shared micromobility program.

COMMUNITY ENGAGEMENT AND PARTNERSHIPS

Through the strategic planning process, Boulder Bike Share staff and the consultant conducted outreach efforts, including 35 stakeholder interviews, and received survey responses from 285 Boulder Bike Share riders. Current B-Cycle riders' value positive environmental impact, affordability, and safety most highly.

Staff has also been coordinating with CU Boulder and Boulder County regarding on-going operations and potential funding level for 2021 and beyond. Both agencies have contributed to Boulder Bike Share over time. As previously mentioned, CU Boulder increased its funding level

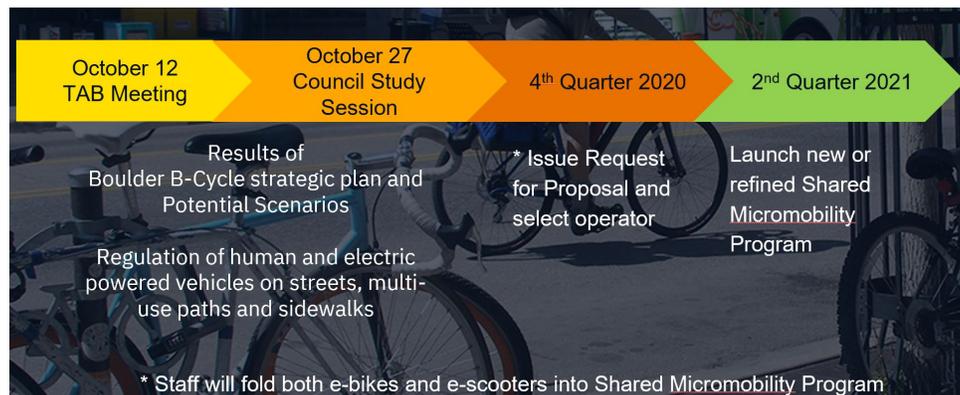
in 2020 to help maintain Boulder Bike Share operations through 2020. Currently, CU Boulder is unable to commit to annual funding. It is unclear what level of subsidy CU Boulder can provide for Boulder Bike Share in 2021 although they recognize the transportation benefit Boulder Bike Share provides for its students.

Boulder County also increased their funding level in 2020. Boulder County has a continued interest in sponsoring and/or subsidizing Boulder Bike Share and that specific future funding levels will be based on the results of their strategic planning process and the direction of the city's Shared Micromobility Program.

NEXT STEPS

On October 27, staff will present to council the results of the Boulder Bike Share Strategic Plan and seek feedback on the range of options and evaluation criteria to inform next steps for Boulder's Shared Micromobility Program. At this meeting, staff will also discuss the regulation of human and electric powered vehicles on streets, multi-use paths and sidewalks.

The result of this study session will likely require a final return to city council in December regarding potential ordinance(s) changes governing the operation of these vehicles. This will conclude the city's micromobility policy work for 2020. Staff anticipates launching a new Shared Micromobility Program in Spring 2021.



TAB INPUT

1. Does TAB have any questions or comments regarding the results of the Boulder Bike Share strategic planning process?
2. Does TAB have any feedback on the potential service provider options, and the criteria used to evaluate each option?
3. Does TAB have a preferred scenario now that we can include in the feedback to Council?

ATTACHMENTS

- A: Boulder Bike Share – Strategic Planning Executive Summary
B: Shared Micromobility - Program Scenarios



Strategic Planning Executive Summary
by Nia Wassink of Mission Launch
September 30, 2020

Boulder's nonprofit bike share operator

Background

In summer of 2020, Boulder Bike Sharing (BBS) began a strategic planning process in consultation with Mission Launch to chart a course for the future of the organization, its services, and equipment. Through internal analysis, stakeholder feedback, and an environmental scan, insight was gathered to inform future decisions.

Concurrently, the City of Boulder, the organization's primary contractee, announced that it would be developing a Request for Proposals for micromobility operation, including e-bikes and perhaps standing or seated scooters. This process was later amended to add a Request for Information step prior to conducting an RFP.

Strategic Planning Process

- Boulder Bike Sharing worked with Social Venture Partners Boulder County to determine strengths and weaknesses via the Organizational Capacity Assessment Tool.
- Through this process, 35 external stakeholder interviews were conducted BBS staff were interviewed, and a survey of Boulder B-Cycle riders collected 285 responses on attitudes and priorities.
- BBS's strategic planning committee and board met for a total of 15+ hours to review and assemble recommendations.

Stakeholder Feedback

- Through stakeholder feedback, several themes emerged for future service provision: e-bikes, an expanded service area, lighter-weight bikes, and increased access for underserved populations.
- Boulder B-cycle riders ranked positive environmental impact, safety, and affordability as their top priorities for local micromobility, followed closely by enhancing regional mobility.
- BBS is seen as a respected operator, trusted and rooted in the Boulder community, although many riders were unaware that BBS is a nonprofit organization.

Environmental Scan

- Micromobility ridership continued to increase across the country through 2019. Standing scooters were responsible for the most significant increases in short trips, and e-bikes are engaging new riders and expanding the distances traveled.
- In 2020, bike sharing systems with e-bikes have seen the greatest increases in use.
- The majority of bike sharing programs operate with additional funding from sponsorships, outdoor advertising revenue, or municipal or transit agency funds. They are not self-sustaining on system revenue.

Internal Analysis

- With a combination of system revenue (from riders), corporate sponsorship, and contracts with the City of Boulder and CU Boulder, the organization continues to struggle financially.
- Financial constraints limit the size of the staff, making expansion very difficult.
- In Boulder, COVID significantly impacted employment and tourism, and Boulder B-cycle system use was down April-July. However, August and September 2020 set new system lifetime records for use with expansion on the CU Boulder campus.

Business Model Recommendation: Private Partnership with Revenue Share:

BBS will continue to partner with a private company. Going forward, this is accomplished through a revenue share agreement or with BBS as a contractor. BBS may not own the equipment, but will operate the system, leveraging its existing relationships and knowledge of the community. BBS has responded to the City of Boulder's RFI and, in partnership with a private company, BBS intends to respond to the City's upcoming micromobility RFP to secure ongoing permits. BBS will continue to pursue opportunities for regional expansion of service, which holds promise for both financial sustainability and regional-mode share impact.

Micromobility Scenarios	Scenario A	Scenario B	Scenario C	Scenario D
Evaluation Criteria	New Private Sector Service Provider Operates Shared Micromobility Program (new platform)	New Private Sector Service Provider Operates Shared Micromobility Program (new platform), but BBS operates it under a franchise model	B-Cycle, LLC takes over operation of existing B-Cycle platform with or without a partnership with BBS	BBS continues to operate existing B-Cycle platform
Safety	Safety record TBD through RFP - City requirements through ordinance(s) strive for operational safety	Safety record TBD through RFP - City requirements through ordinance(s) strive for operational safety	Safety record TBD through RFP - City requirements through ordinance(s) strive for operational safety	Very safe (no severe injury crashes)
Financial Viability	Market-based: Private sector operator bears capital and operational costs. Minimal cost to city with incoming revenue from business license and per ride fees	Market-based: Private sector operator bears capital and operational costs. Minimal cost to city with incoming revenue from business license and per ride fees	Market-based: Potential for some cost to city depending upon proposed business model. Incoming revenue from business license and per ride fees	Dependent upon ongoing city investment and annual subsidy. Cost range based on level of subsidy and funding from local partners and/or sponsors. To expand the system and evolve its technology would require a significant long-term annual investment. (\$50-\$300K annually depending upon level of subsidy needed (purchase of new equipment not included)
Equity	Business license requires operator to provide affordability program, includes deployment of vehicles in underserved neighborhoods	Business license requires operator to provide affordability program, includes deployment of vehicles in underserved neighborhoods	Business license requires operator to provide affordability program, includes deployment of vehicles, in underserved neighborhoods	Business license requires operator to provide affordability program, deployment in underserved neighborhood may require city investment (increase in number of stations)
Environmental Sustainability	Advancement of city goals by encouraging more trips and greater shift from SOV and reducing transportation-related emissions	Advancement of city goals by encouraging more trips and greater shift from SOV and reducing transportation-related emissions	Advancement of city goals by encouraging more trips and greater shift from SOV and reducing transportation-related emissions	Advancement of city goals by encouraging more trips and greater shift from SOV and reducing transportation-related emissions
State of the Art Technology and Innovation (equipment and data sharing)	Aging B-Cycle platform replaced by new technology with an electric docked or dockless platform (e-bikes and e-scooters). Access to better data	Aging B-Cycle platform replaced by new technology with an electric docked or dockless platform (e-bikes and e-scooters). Access to better data	Same platform B-Cycle platform, but with newer docked e-bikes and potential new stations - unclear on ability to add and operate e-scooters. Access to same type of data as today	Same platform B-Cycle platform, pace of transition to new B-Cycle e-bikes dependent on level of city investment - unclear on ability to add and operate e-scooters. Access to same type of data as today
Accessibility	Private sector operators are likely to have greater ability to expand geographic coverage and provide a fleet to meet dynamic demand	Private sector operators are likely to have greater ability to expand geographic coverage and provide a fleet to meet dynamic demand with dockless model	Would require installation of additional docks to expand geographic coverage. More difficult to achieve on-going demand based cap due to limited number of docking spaces	Would require installation of additional docks to expand geographic coverage. More difficult to achieve on-going demand based cap due to limited number of docking spaces
Responsiveness to Operational issues	Business license and rules (can be changed administratively) to address operational issues	Business license and rules (can be changed administratively) to address operational issues	Business license and rules (can be changed administratively) to address operational issues	Business license and rules (can be changed administratively) to address operational issues

Shared Micromobility Program Scenarios Oct. 1, 2020