

**Metropolitan Transportation Commission
Operations Committee**

November 4, 2022

Agenda Item 5a

Bikeshare Update

Subject:

Update on bikeshare programs supported by MTC including the Bikeshare Capital Grant Program, with a focus on Bay Wheels, the bikeshare program operated by Bay Area Motivate, Inc. (Motivate) and owned by Lyft, which is under contracts with MTC and the participating cities of Berkeley, Emeryville, Oakland, San Francisco and San Jose.

Executive Summary:

Bikeshare began in the Bay Area in 2013 as a pilot with 700 bikes and 70 stations in Mountain View, Palo Alto, Redwood City, San Francisco and San Jose. Approximately \$8.7 million was spent to procure the equipment and operate the system. When the pilot ended in 2015, MTC approved \$16.4 million to expand the system. Instead, Motivate came forward with a proposal to launch and operate the system at no cost, in exchange for exclusive rights to operate in five Bay Area cities. The proposal allowed for funds to be reprogrammed to other transportation projects and eliminated the need to purchase bike share capital. After significant input and direction from the Commission and partner cities, the Commission approved a ten-year contract with Motivate, a leader in the industry with a proven track record, that incorporated important equity and performance provisions. A contract was signed with Motivate in 2015 with system launch in 2017 (note that Lyft bought Motivate in 2018). A more detailed background of bikeshare in the Bay Area is included in Attachment A.

In 2019 some bikeshare systems across the country began adding shared e-bikes and Lyft was interested in doing the same. Because e-bikes were not explicitly defined in the contract, coordination was needed to ensure the whole system could add e-bikes on the same terms. MTC made a concerted effort to coordinate for a systemic roll out, however, a disagreement on contract terms among the participating cities led to separate agreements and e-bikes only launched in San Jose and San Francisco, and not on the same terms. This was a lost opportunity given the public support and acceptance of e-bikes, given the high utilization we see currently.

Since Bay Area Bike Share relaunched in 2017, the system has logged more than 11 million trips at no cost to the public. This number of trips is comparable to a transit operator; in 2022 Bay Wheels would be the 8th largest transit operator in the Bay Area and was 11th in 2019 in terms of trips. Just as transit is an important part of efforts in Plan Bay Area to reduce vehicle miles traveled, so is bikeshare, however no public funds have gone to subsidize the Bay Wheels system. In addition, Bay Wheels continued to operate during the pandemic, despite a 60% drop in trips between February and March 2020. On the other hand, transit operators cut service and received over \$3 billion in subsidy to weather the pandemic and restore essential routes.

An easy-to-use bikeshare system helps the region to achieve the Plan Bay Area 2050 statutory target to reduce greenhouse gas emissions, as well as the goal of reducing vehicle miles traveled. Implementation of all thirty-five strategies outlined in the Plan is expected to nearly double biking and walking commute trips, increasing from 5% to 9% by 2050¹. Transportation Strategy 8 (T8) – build a complete streets network, and Transportation Strategy 9 (T9) – advance regional Vision Zero policy through street design and reduced speeds – are specifically focused on promoting increased biking and walking. Bikeshare is a key implementation component to encourage Bay Area residents to take more trips by biking than by single occupancy vehicles.

While Bay Wheels has provided uninterrupted service since launch, other cities that have entered the shared mobility (bikes and scooter) space, including MTC funded programs, have faced volatility such as acquisitions and bankruptcies, as well as periods where operators have removed their fleets for many months. Richmond, who received funding from the MTC Bikeshare Capital Grant Program, had its operator unexpectedly cease operations in July 2022 due to financial reasons. Similarly, the operator in Fremont, who also received funding from the MTC Bikeshare Capital Grant Program, removed its fleet early 2022 due to theft and vandalism issues. This “here today, gone tomorrow” state of the industry creates an uncertain presence for the customer, which makes it hard for users to rely on shared mobility and choose a sustainable mode.

¹ PBA2050, pg. 119

The current Bay Wheels/Motivate contract expires in July 2027 so MTC and its partners need to start shaping what the future of the system should look like. Our peer agencies who have gone through similar contracting processes recommend a minimum of 3 years for procurement and transition, which would be July 2024. Given that timeline, now may be the time to consider whether some strategic public investments can deliver on early improvements to the system and set the stage for a more stable and reliable system longer term. Strategic public investments now could also assist the region in better understanding what will be required to achieve a financially sustainable system in 2027. With that in mind, staff will return within the next several months with some initial concepts for Committee consideration after receiving input from Commissioners on this update on the state of bike share in the region.

Next Steps:

There are no actionable steps at this time.

Issues:

None identified.

Recommendations:

Information

Attachments:

- Attachment A: Bay Area Bikeshare Background & History
- Attachment B: PowerPoint Presentation



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