



INFORMATION REPORT

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	May 14, 2018
SUBJECT/REPORT NO:	Everyone Rides Initiative Pilot Project (City Wide) (PED18108) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Peter Topalovic (905) 546-2424 Ext. 5129
SUBMITTED BY:	Brian Hollingworth Director, Transportation Planning and Parking Planning and Economic Development Department
SIGNATURE:	

COUNCIL DIRECTION

On October 3, 2016, at the Public Works Committee and, subsequently, at Council on October 12, 2016, the recommendations pertaining to the bike share equity program called the Everyone Rides Initiative (ERI) were approved (Report PW16068). This initiated a three-year pilot program. The program is funded by the City through the existing Transportation Demand Management and Smart Commute Account and Barton-Kenilworth Urban Renewal (40%), in partnership with grant money from the Federation of Canadian Municipalities Green Municipal Fund (50%) and the Hamilton Community Foundation (10%). This pilot is progressing well and its successes are reported on annually in the Sustainable Mobility Programs Annual Report, which is provided to Council every June through an Information Update.

This purpose of this Report is to address two subsequent recommendations that are unrelated to the ERI pilot, but were directed by Councillors at the Public Works Committee Meeting on October 3, 2016. At the Council meeting on October 12, 2016, the following recommendations were added:

- “(a) That sub-sections (c) and (d) be referred back to Public Works so that the appropriate staff may meet with Hamilton Bike Share Inc. and assist where applicable with the organization’s financial statements; and,

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- (b) That the Public Works and Finance and Corporate Services staff review the Terms of Reference agreement between SoBi Bicycles Inc., New York City, and the City of Hamilton and Metrolinx, with a report back to the appropriate committee on this agreement.”

On April 3, 2017, a subsequent report to Public Works Committee (Report PW16068(a)) responded to the amended items (a) and (b). However, at this meeting there were additional questions regarding the relationship between the various operators of Bike Share and the City and the Report was referred back to staff. Following that Committee meeting, staff offered to meet with all Councillors before reporting back with a new Report. Subsequently, staff met with the following Councillors individually or in small groups: Farr (Ward 2), Green (Ward 3), Merulla (Ward 4), Collins (Ward 5), Jackson (Ward 6), Skelly (Ward 7), Ferguson (Ward 12), Vanderbeek (Ward 13), and a representative from Councillor Whitehead’s Office (Ward 8), as well as with Mayor Eisenberger and his staff.

INFORMATION

- (a) The structure and reporting relationship between the City, SoBi Incorporated and Hamilton Bike Share Incorporated.

Through the request for proposals process Social Bicycles Inc. (SoBi Inc.) was chosen as the successful proponent to supply shared bicycles, provide data support and system functionality and operate the system. They sub-contract the operations to a local non-profit organization; Hamilton Bike Share Incorporated (HBSI). SoBi Inc. and HBSI are responsible for all operating profits and losses. An illustration of the relationship between the City, SoBi Inc. and HBSI is provided in Appendix “A” to Report PED18108. The request for proposal (RFP) and Operations Contract followed the City’s standard for construction contracts for road projects. Since no operational funding was being given to SoBi Inc., there was no requirement for audited financial statements. City staff’s review of other North American bike share systems found that this is consistent with industry practices. If no operating funds were part of the operations contract, then no audited financial statements were required of the operator.

- (b) Confirmation that there is no levy impact due to bike share operational requirements.

Questions were asked at the Public Works Committee and in follow-up meetings with Councillors relating to operational funding. There is no requirement for any City funding for bike share operations under the obligations of the RFP and contract with SoBi Inc., which expires in February, 2019. The five-year operations contract may be renewed for two additional times at five year increments. City staff is working with SoBi Inc. and HBSI to enhance the system between 2018 and 2024. A priority aspect of this work is to secure a system sponsor, which would

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cover the operations for a five-to-ten year period. Revenue from a system sponsor could be used to start a reserve account for bike share equipment replacement. A sponsor is currently being sought through a partnership with City Manager's Office relating to revenue generation and SoBi Inc.

Further to the discussion around operating costs of the system, there were some questions relating to the \$1.6 M provided through the Metrolinx Quick Wins Program. This funding program was only applicable to Capital projects, such as new transit fleet vehicles or bicycle racks on buses etc. and not intended for related operational expenditure. As such, the funding was used to fund the original Capital expenditure for bike share only – it was not used for system operations and no City dollars have been used for operations since. City staff support the bike share as it is part of the Sustainable Mobility Programs and ensure bike share directly meets mobility goals and targets. However, this support does not include operations – it is limited to contract management, performance measurement, auditing, station location siting, data analysis, system planning, communications and marketing, citizen engagement, grants and media relations.

(c) Clarification and best practice regarding replacement costs of bike share bicycles.

A review of North American cities with bike share systems was conducted by City staff. The results of this review showed that most cities interviewed do not include Capital replacement cost provisions. Most systems rely on grants from all levels of governments and foundations to assist with the expansion of bike share system and the replacement of any capital. Hamilton's bike share system will continue to search for additional grants and foundation support for Capital enhancements and replacement. This strategy compliments the search for a long-term system sponsor and research into other revenue tools that could assist with Capital enhancement and expansion, such as development charges.

NEXT STEPS

The current bike share service area is an extended version of the original planned area and is shown in Appendix "B" to Report PED18108. Hamilton has a similar or larger service area (thirty-five square kilometres) compared to other jurisdictions such as Toronto (forty square kilometers), Vancouver (fifteen square kilometres), and Portland (thirty square kilometres), which is also illustrated in Appendix "B" to Report PED18108. This larger service area has resulted in not achieving industry best practice for density of bicycles and stations. However, as identified above in this Report, obtaining grants will assist with the improvement of densities, thereby reducing system operating costs.

Despite the above, the success of Hamilton's bike share system has resulted in expansion pressures for the system. Specifically, there is pressure for expansion east to Kenilworth Avenue, south to include the Mountain Brow neighbourhoods' in Wards 6, 7 and 8, as well as expansion towards Burlington to coincide with a potential system

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there. Appendix “C” to Report PED18108 depicts these expansion pressures. Early exploratory meetings with Metrolinx and the City of Burlington are taking place to investigate the potential system creation and integration with Hamilton’s system, including funding sources and partnership details.

Appendix “D” to Report PED18108 contains the Hamilton Bike Share timeline 2010 – 2017, which was presented to Councillors during the individual meetings.

The item respecting the Everyone Rides Pilot Project shall be identified as complete and removed from the Public Works Committee Outstanding Business List.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Relationship Structure – City, SoBi Inc. and HBSI

Appendix “B” – Planned vs. Implemented Bike Share Service Area

Appendix “C” – Potential Expansion Areas – Hamilton Bike Share System

Appendix “D” – Hamilton Bike Share Timeline