




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Transportation Planning and Parking Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 4, 2024
SUBJECT/REPORT NO:	Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding (PED20109(f)) (City Wide)
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:	

RECOMMENDATION

- (a) That the Hamilton Bike Share system and City of Hamilton Partnership Model approach which includes a City contribution toward operating and asset management costs to increase financial sustainability, maintain and improve service delivery and build in asset management considerations be extended until December 31, 2027;
- (b) That the annual budget be increased by \$258,000 for a total of \$744,000 to support the operating costs of the Hamilton Bike Share system be approved, endorsed and referred to the 2026 and 2027 Operating Budgets;
- (c) That upon approval by Council of the budget enhancement identified in Recommendation (b) that Council authorizes, directs and delegates authority to the General Manager, Planning and Economic Development Department to execute, on behalf of the City of Hamilton, the necessary agreements to amend and extend the existing contract with the current not-for-profit operator, Hamilton Bike Share Inc., to include the following:
 - (i) extended term of the agreement from December 31, 2025 to December 31, 2027;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- (ii) requirement for annual reporting by Hamilton Bike Share Inc. to the City, including an annual operating and financial report.

EXECUTIVE SUMMARY

At the General Issues Committee Meeting of November 26, 2021, the following direction was provided by Council:

“That Staff be directed to report back to the General Issues Committee, during the 2022 Operating Budget process, with options to effectively and efficiently provide financial sustainability for the Hamilton Bikeshare program in the City of Hamilton”.

The response to this direction was provided by Staff and approved by General Issues Committee on February 25, 2022 in Report PED20109(d) and PED20109(e) and approved by Council on March 30, 2022 (Report 22-007, item 24). This established the City of Hamilton and Hamilton Bike Share Inc. Partnership agreement that terminates on December 31, 2025 and establishes a shared funding model where the City and Hamilton Bike Share Inc. both contribute to the operations and maintenance of the bike share program.

The purpose of Report PED 20109(f) is to extend the City of Hamilton and Hamilton Bike Share Inc. Partnership agreement in 2026 and 2027. The extension will align the City of Hamilton and Hamilton Bike Share Inc. partnership agreement to be consistent with the McMaster Universal Bike Share Pass Program which has been approved through student referendum for the 2024 to 2027 academic terms and will provide a bike share pass to all students who wish to use it, as part of their student fees. This extension will also allow for the operation and analysis of the electric bikeshare pilot program, which was approved on October 25, 2023 by Council (23-019 item 1(a)(c)(i)) as part of the Climate Action Strategy and is intended to be fully self-funding and not require any operational costs as part of the partnership model.

During this extended operating period, further evaluation of the current bikeshare and e-scooter program will take place as part of the Future of Micromobility study which will be completed in 2026. Data from the operations of bike share and e-scooter programs will be analysed by McMaster University and a consultant to develop a long-term plan for the micromobility program post-2027.

The Hamilton Bike Share system was launched in 2015 and has since become a network with over 150 hubs, 1,100 bikes, and with more than 2.9 million trips taken by residents and visitors. It has a significant equity, diversity and inclusion component that is one of its guiding principles and is operationalized through the community-led,

Everyone Rides Initiative, which has provided low cost access to the system for eligible riders, expansion into underserved neighbourhoods, offered adaptive bikes, and delivered training programs. Hamilton Bike Share also expanded the service area to Kenilworth Avenue through a Federal grant.

The Hamilton Bike Share system ridership has been steadily increasing since the pandemic. The introduction of e-scooters slowed the increase with some bikeshare trips moving to e-scooters, but for the most part e-scooter users are new to micromobility. Since the introduction of the Universal Bike Share Pass Program at McMaster, bike share ridership has tripled, contributing to the three million trips that have been taken by tens of thousands of residents since 2015.

This Report recommends the extension of the Partnership Model approved in PED20109(d) and maintaining a baseline funding scenario that maintains the current level of operations in the current service area with a maximum of 1,000 bikes for \$62 per bike, per month. This funding would be split towards an operating subsidy, the accessible bikeshare program, asset management, and connectivity fees. It is based on a target of providing matching financial contributions for bike share system operations through the tax levy, and through revenues, user fees and grants, similar to the model for transit systems, which Hamilton Bike Share Inc. is responsible for collecting and obtaining.

From March 2022 to September 2024, this model has achieved its intended outcome. The bike share program is on a more sustainable trajectory in terms of funding, operations, maintenance and partnerships. Hamilton Bike Share Inc. has increased ridership, collected revenues, obtained grants available for non-profit organizations, leveraged other funding sources and expanded the program to match the City's contribution. This has allowed the City to be fiscally responsible while also supporting the bike share program.

Alternatives for Consideration – See Page 16

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Since 2022, the City has been funding the Hamilton Bike Share Inc. (HBSI) program, with a current allocated budget of \$486,000 and \$108,400 from the Cash-in-lieu of Parking Reserve for a total of \$594,400. The proposed contract extension for the City of Hamilton and Hamilton Bike Share Inc. (HBSI) Partnership will be to December 31, 2027 and employ a sustainable operating model and funding approach to the original contract starting in March 2022 and terminating on December 31, 2025. This will result in a \$258,000 levy increase to bring the total budget

to \$744,000 in 2026 and in 2027. This levy increase includes the \$108,400 that was previously funded from the Cash-in-lieu of Parking Reserve but is assumed to decline in 2025 due to the elimination of minimum parking requirements under Zoning By-law 05-200.

This Report is recommending an operations model and funding amount to sustain the existing base system with up to 1,000 bikes in the current bike share service area. The previous operating contract was for 900 bikes. Based on the City's study "Hamilton Shared Micromobility - Assessment of Operating Models, Funding Sources, and Role of Not-For-Profit Organizations" presented to Council on November 16, 2020 in Report PED20109(c) and information provided to the City from Hamilton Bike Share Inc. on bike share operations, the following is the proposed fee breakdown for sustaining bike share operations on a per bike, per month basis.

- General operation fee (paid to Hamilton Bike Share Inc.): \$30;
- Bike connectivity fee (paid to Mobility Cloud): \$15;
- Capital improvement fee (paid to a City reserve fund): \$10; and,
- Accessibility fee (paid to the Everyone Rides Initiative): \$7.

This funding breakdown is what is typically expected; however, values for each of the four categories can change, depending on the operational need each month, but cannot exceed the overall funding envelope.

These values aim to reflect some inflationary costs in 2026 and 2027 as well as an increase in fleet size to 1,000 (from 900). Two hundred additional bikes in the fleet will be dedicated to McMaster as part of an agreement with McMaster Students (through the Students Union) and Hamilton Bike Share Inc. This additional service is funded through user fees.

For the up to 1,000 proposed bike share bikes this totals \$744,000 annually. The remaining operational costs for the system will be funded through the partnership with Hamilton Bike Share Inc. in the form of user revenues, grants, sponsorships, and advertising. In 2022 to 2025, the operations cost based on 900 bikes was \$594,400. The increased cost in 2026 and 2027 is due to the:

- increase in the number of bikes from 900 to 1,000;
- adding the capital improvement fee to the levy from what was previously provided from the Cash-in-lieu of Parking Reserve; and,

- inflationary cost increases.

The above costs do not cover any expanded bike share operating areas, with the exception of current Ward 4 expansion to Kenilworth Avenue or capital replacement; however, the model has provisions for future expansion by using a per bike operations fee that will be determined in the Future of Micromobility Study currently underway.

Staffing: There are no immediate staffing implications associated with this Report. The bike share program will continue to be managed by existing staff resources within the Transportation Planning and Parking Division of the Planning and Economic Development Department.

Legal: Legal staff will review and approve all agreements and contracts associated with this Report.

HISTORICAL BACKGROUND

On November 25, 2020, Council approved Report PED20109(c) Public Bike Share Program Phased Procurement Process which established an operating agreement through to December 2022 for the operation of the existing base bike share program through Hamilton Bike Share Inc.

On July 7, 2021 (PED2114) Council approved a bike share equipment donation from Portland, Oregon which will result in an expanded fleet and extend the life of the existing fleet by providing a greater spare ratio for the fleet and a source of compatible parts.

On August 11, 2021 (PED20134(b)), Council approved Commercial E-scooter Operations procurement process resulting in an award to Bird Canada to operate up to 900 E-scooters. This program launched on April 3, 2023.

Report PED20081 (Sept. 21, 2021) established that the City's Parking Reserve fund, which has a current balance of approximately \$465,000, can be used for capital improvements for the Transportation Demand Management program and the Micromobility program, including the bike share program.

Report PED20109(d) and PED20109(e) approved by General Issues Committee on February 25, 2022 and approved by Council on March 30, 2022 (Report 22-007, item 24) established the City of Hamilton and Hamilton Bike Share Inc. Partnership Agreement that terminates on December 31, 2025. This establishes a shared funding model where the City and Hamilton Bike Share Inc. both contribute to the operations

and maintenance of the bike share program. The annual City of Hamilton contribution is \$594,400.

In January 2024, McMaster Students voted in a referendum to approve an annual Universal Bike Share Pass with a value of \$24.50 per student, per year, for the use of 90-minutes of bike share riding per day from September 2024 to August 2027.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no policy implications associated with this Report.

RELEVANT CONSULTATION

Several internal stakeholders were consulted as part of the development of this Report including:

- Legal Services;
- Purchasing;
- Financial Planning, Admin and Policy; and,
- Hamilton Bike Share Inc. (HBSI) was consulted in the development of this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Review of Operating Models

Recommendation (a) of Report PED20109(d) responds directly to the motion approved on November 26, 2021 General Issues Committee: “that Staff be directed to report back to the General Issues Committee, during the 2022 Operating Budget process, with options to effectively and efficiently provide financial sustainability for the Hamilton Bikeshare program in the City of Hamilton”.

In order to provide sustainable financial support for the bike share program, an operating model was chosen out of four potential models, to establish a relationship with the contracted operator of the system and determine how funding will be distributed. The four typical models that were analysed in Report PED20109(d) were: the partnership model, the fee-for-service model, the specific components model, also referred to as State of Good Repair model, and the privately-operated model. Council approved the use of the Partnership Model.

○ Partnership Model

The Partnership Model is a broad term that describes the relationship between the municipality and service provider in both the public bike share context and public transit context; where the municipality has financial responsibilities for operations, but so does the operator. This model maintains the current partnership between the City and Hamilton Bike Share Inc. and funds a portion of the operations, while requiring that Hamilton Bike Share Inc. also be responsible for a portion of the operational funding. Generally, in this model, the revenue/cost ratio is expected to be approximately half the total cost so the City would cover those operating costs, with the operator responsible for the other half. Based on the full year of 2023 data, the City covered 44% of the operating costs when taking into account all expenses and operating deficits incurred by Hamilton Bike Share Inc.

The Partnership Model also builds in incentives for the operator, as they need to meet their commitment through user fees, grants, sponsorship and advertising, and Hamilton Bike Share Inc. was able to achieve external funding and partnership goals with both the Federal and Provincial governments as well as McMaster University students and the McMaster Students Union.

There are other alternatives for consideration in terms of the model and the funding amount, corresponding to various service levels and expansion areas; however, this model focuses on the base case; which maintains the partnership between the City of Hamilton and Hamilton Bike Share Inc. and requires both parties to provide operational funding. As this model is developed and tested further, it can scale to include more expansion areas of the city, more pedal bikes and trikes, as well as the introduction of new technology including E-bikes, E-cargo bikes, and E-trikes.

The Partnership Model is a popular delivery model for bike share systems in North America, especially for mid-sized cities that have existing bike share programs. The complete analysis of this model and the other three models considered are contained in PED20109(d).

The Partnership Model has additional benefits to the City beyond being less costly to fund because it relies on both partners to contribute financially to the operations. The model also has less impact to full time equivalent requirements of City Staff because the collection of user fees, grants and sponsorships are the responsibility of the operating partner. It also allows the operating partner to access grants the City and for-profit operators do not have access to. The model ties this funding to the number of bikes in the system so it can equitably scale as the system is expanded. It also lessens the reliance on grants and private sector contributions while also incentivising the operator

to continue pursuing those funding mechanisms in a more supportive and sustainable manner.

This option also staggers the City's risk and workload, allowing it to work with Hamilton Bike Share Inc. to establish a sustainable bike share program through to 2025; determining the next steps for a procurement that will cover 2026 to 2031. It should also be noted that Hamilton Bike Share Inc. exists for the sole purpose of operating bike share and over the multi-year analysis period, the City has options to sell the entire system to Hamilton Bike Share Inc. or merge Hamilton Bike Share Inc. as an agency of the City similar to other entities like a parking or conservation authority, a trust or an independent body with Council representation on its board. Continuing the partnership with Hamilton Bike Share Inc. allows the City to leverage skills and experience of a competent local operator that is dedicated to operating equitable micro-mobility in Hamilton and is familiar with the needs of the residents.

The Partnership model is the preferred option for many reasons as described above and especially because it has built-in incentives to ensure the operator's performance, while also guaranteeing the City's support and participation in the provision of public bike share.

- Model Analysis

Hamilton Bike Share Inc. has provided information on current and past operating costs and revenues through financial statements and other documents. Staff have validated this information against real world data and other systems and developed estimates of current and expected revenues and expenditures for different elements of the system. Hamilton Bike Share Inc.'s 2015 - 2020 operating cost under normal conditions was approximately \$80 to 90 per bike per month, which is comprised of labour to repair and rebalance bikes, facilities, insurance and administrative costs. At present, Hamilton Bike Share Inc. assumes the cost of software connectivity, which is approximately \$130,000 per year. During 2022 to 2024, the actual operating costs were approximately \$95 per bike per month, based on the actual 2023 operations data.

The actual operating costs of \$95 per bike, per month, were at the top of the projected range because this takes into account the fleet enhancement with 700 donated bikes from Portland Oregon in 2023 and the enhanced services across the service area, including the expansion to Kenilworth Avenue. Inflationary increases in costs in replacement parts needed for fleet maintenance and renewal were also a factor in the increased costs. However, this is still on par with comparative systems which cost more than \$100 per bike per month to operate, since the COVID-19 pandemic and the increase in inflation.

SUBJECT: Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding (PED20109(f)) (City Wide) - Page 9 of 16

Under the partnership model, Council approved a levy contribution to the program of \$40 per bike per month for operations, consisting of \$28 per bike per month to Hamilton Bike Share Inc. for general operating and \$12 per bike per month to Mobility Cloud for connectivity fees. The balance of the overall costs were offset by Hamilton Bike Share Inc. through user fees, sponsorship, advertising and grants to make up the difference between the City’s contribution and the actual costs, as described in Table 1. The impact of these contributions are shown in Table 1, along with comparisons to the current COVID 19 constrained operations and projected standard operations.

Table 1: Bikeshare Funding Model

	2015 – 2021 OPERATIONS MODEL		APPROVED PARTNERSHIP MODEL	
	2020 Emergency Operation (during COVID-19)	Standard Operations (post-COVID-19)	Standard Projected Operations (post-COVID-19)	Actual Operations 2023
Estimated Revenue (Operator)				
User Fees	\$170-\$190 K	\$230-\$260 K	\$230-\$260 K	\$403 K
Donations/Sponsorships/ ⁽¹⁾	~\$260 K	~\$260 K	\$150-\$200 K	\$86 K
Partnership Model City Contribution	nil	nil	\$302 K	\$283 K
Connectivity Fee City Contribution	nil	nil	\$130 K	\$119 K
Everyone Rides Equity Program			\$54 K	\$50 K
Total	\$430-450 K	\$490-520 K	\$866-946 K	\$941 K
Estimated Expenses (Operator)				
Operating Expenses	\$540 K	\$827 K	\$827 K	\$941 K
Connectivity Fee	\$130 K	\$130 K	\$130 K	\$119 K
Total	\$670 K	\$957K	\$957 K	\$1.026M
Operating Surplus (Deficit)	(\$220-\$240 K)	(\$500-\$467 K)	(\$11-\$91 K)	(\$85 K)

⁽¹⁾ Donations are one time and may not continue to future years

The 2023 actuals were within the projected ranges, with the exception of ridership fees, which far exceeded expectations because of the fleet enhancement, partnerships and bike maintenance and balancing performed by Hamilton Bike Share Inc. This demonstrates the effectiveness of the partnership model, the reduced costs to the City and the future viability of the program.

SUBJECT: Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding (PED20109(f)) (City Wide) - Page 10 of 16

In order to continue the operations of the bike share program in a sustainable way, Staff are proposing the continuation of the levy contribution as part of the City of Hamilton and Hamilton Bike Share Inc. contract extension that takes into account some of the inflationary costs in 2026 and 2027 and an increase in fleet size by 100 bikes, the details of each expense category are provided below:

1. **General Operation Fee (\$30):** this covers general day-to-day operations of the bike share system, including maintenance of bicycles and stations, rebalancing the fleet, deploying new bikes and stations, call centre/customer operations, and collecting user fees. This fee would be paid to Hamilton Bike Share Inc.;
2. **Bike Connectivity Fee (\$15):** this covers the monthly cost paid to the cellular provider to connect the controllers on the bike to the network and the backend support for system operations (e.g. software, servers, etc.). This fee is passed through Hamilton Bike Share Inc. to Mobility Cloud, the connectivity provider;
3. **Capital Improvement Fee (\$10):** the fee is proposed to be put into the Cash-in-lieu of Parking Reserve to offset capital costs related to bike share, including renewal of bike controllers, bikes, and stations, and other components necessary to operate the system. It should be noted that this will not be enough to replace the existing assets alone, so other funding (e.g. grants) will be required beyond 2027; and,
4. **Accessibility Fee (\$7):** a fee to enable operation of the Everyone Rides Initiative accessible and adaptive bike program (e.g. trikes), which allows people with disabilities and varying bike need to access bike share.

The acquisition of the donated Portland bike share have enabled a fleet expansion in the current service area of 1,200 bikes, 1,000 of which the City will cover operating costs for and 200 of which will be the responsibility of Hamilton Bike Share Inc. to operate, which is funded through operating costs collected by McMaster Students. For the 1,000 bike fleet, with a total levy cost of \$62 per bike, per month, this would total \$744,000 per year in 2026 and 2026. For comparison, Bike Share Toronto pays \$103 per manual bike (in 2022) per month to their for-profit operator, or \$8,712,000 per year, excluding bike connectivity, capital improvement and accessibility-related costs.

Contract Extension

A phased approach to continue the operation of the Hamilton bike share service was directed by Council on May 27, 2020 (Report PED20109(a)) and on November 16, 2020 (Report PED20109(c)). The solution to this direction was provided by Staff and approved by GIC on February 25, 2022 in report PED20109(d) and PED20109(e) and

approved by Council on March 30, 2022 (Report 22-007, item 24). This established the City of Hamilton and Hamilton Bike Share Inc. Partnership agreement that terminates on December 31, 2025 and establishes a shared funding model where the City and Hamilton Bike Share Inc. both contribute to the operations and maintenance of the bike share program.

This Report recommends a contract extension with Hamilton Bike Share Inc. to operate the bike share system to December 31, 2027. The extension will align the City of Hamilton and Hamilton Bike Share Inc. partnership agreement to be consistent with the McMaster Universal Bike Share Pass Program which has been approved through student referendum for the 2024 to 2027 academic terms and will provide a bike share pass to all students who wish to use it, as part of their student fees. This extension will also allow for the operation and analysis of the electric bikeshare pilot program, which was approved on October 25 by Council (23-019 item 1(a)(c)(i)) as part of the Climate Action Strategy and is intended to be fully self-funding and not require any operational costs as part of the partnership model.

Hamilton Bike Share Inc. is a non-profit operator in good standing with the City of Hamilton. Each year of the partnership, Hamilton Bike Share Inc. has provided audited financial statements which demonstrate that all revenues have been invested in the operations, maintenance and growth of the system, as outlined in the Bike Share Operations agreement. The following parameters have been used to guide the development of the operations contract between this Hamilton Bike Share Inc. and the City of Hamilton which has been in place since 2022:

1. Service levels: include requirements for balancing, customer service, maintaining state of good repair of bikes and other related elements that are standard for bike share contracts and are already contained in the existing contract. These have been achieved between 2022 to present, and ridership has increased beyond the projections;
2. User fees: are set by City and Hamilton Bike Share Inc. that are practical and within industry standards and will require both parties to agree to fee or membership changes. These have been charged to users appropriately as per the agreement and used to offset operational costs of the system between 2022 to present;
3. Partnership Fee stabilization: ensures that City's contribution to bike share operations is based on an equal sharing of net costs; if additional revenue is generated, so that this changes, these additional revenues should go to improving the system and/or be contributed to the bikeshare reserve; and be reviewed regularly to ensure that both parties are incentivized and contributing

fairly to operations. Between 2022 to present, the City's contribute was less than half the total operating costs due to system enhancements and inflation; Hamilton Bike Share Inc. was able to generate additional revenue to offset the shortfall;

4. Equity program (Everyone Rides Initiative): will report on the use of the City's contribution through the Accessibility Fee and how it is benefiting bike share and Everyone Rides Initiative members. This was provided every year from 2022 to present and resulted in the enhancement of the Adaptive Bike Share program and additional program activities to operate the Everyone Rides Initiative;
5. System expansion: to new geographic areas and/or to add additional bikes to the system can be requested by either the City or Hamilton Bike Share Inc., as long as the same fee system recommended in this Report is applied on a per bike basis. An expansion to Kenilworth Avenue took place in 2024 and further expansion is being considered;
6. E-bikes: may be added to the system by the City and Hamilton Bike Share Inc. will manage these provided that the capital costs are covered by the City or through grant programs and that a similar operations fee be applied by the City to operate these bikes. Additional fees or grants may be required for e-bike operations as they have higher operational costs. An e-bike pilot is planned to be launched in 2025 and funded through the Climate Change Action strategy; and,
7. Annual reporting: Hamilton Bike Share Inc. will provide an annual report on operations, including revenues and expenses as well as ridership statistics. This has been provided consistently since 2022.

Current and Future System Enhancements

This Report and the recommended funding do not provide for system expansion. However, the Partnership Model establishes the framework and foundation upon which Council could decide to expand the service in the future.

In order to inform the Phased Procurement Process and the Partnership Model, staff initiated a Micromobility assessment of operating models, funding sources and role of not-for-profit organizations in July 2020 which was presented to Council in Report PED20109(c) on November 16, 2020. The results of the study indicate that the most stable bike share systems operate with a municipally-owned and operated base bike share system, that receives financial support from the municipality and from grants, alongside a private sector, non-exclusive contract-based Micromobility system. Taking this into consideration, this Report recommends the continuation and extension of the

phased procurement process that would maintain such a “hybrid” model to December 31, 2027. It would extend the existing base bike share operations under the existing not for profit operator, Hamilton Bike Share Inc.

The Future of Micromobility Study will build upon the Micromobility Assessment of Operating Models, and provide a more in-depth analysis of operating model, system enhancements, system expansion and the return on investment. The goal of this study is to provide a long term, ten-year plan for the operations of the Micromobility system for 2028 to 2038. The study will be completed in 2026.

The Shared Micromobility Study (PED20109) which analysed the propensity of different areas of Hamilton that would best support shared mobility devices. The analysis found that the top performing expansion opportunities are:

- A 1.9 kilometre square eastward expansion of the existing service area from Ottawa to Kenilworth (Lawrence to the CN Corridor); and,
- A 13.2 kilometre square expansion on the Mountain, north of Mohawk Road (Upper Gage to Scenic).

Both expansion opportunities require capital and operating cost investments to implement and sustain; allowing over 96,000 more residents to access bike share in their community. These expansions would also support the growing investments in cycling infrastructure and routes in these areas, including the Keddy Access Trail, Mountain Brow Trail, Cannon bike lanes, and the Pipeline Trail.

The first part of this expansion to Kenilworth Avenue occurred in 2024 and is currently operating.

The estimated overall gross costs of these two options are summarized in Table 2. Staff continue to monitor for funding opportunities through federal and provincial investment programs (e.g. the Investing in Canada Infrastructure Program (ICIP)). However, these programs typically only support capital investments and cannot be used to offset operating costs. Reliable and consistent operational funding is a necessity to being able to expand the bike share system. In addition to these costs, any large-scale expansion of the system would potentially require additional City staff resources to provide oversight and management of the expansion area, and coordinate between the bike share operator and internal City groups.

Table 2: Estimated Costs for Bike Share Service Area Expansion

Expansion Opportunity	Number of Stations / Bikes	Estimated Capital Cost (2020\$)	Estimated Gross Operating Costs (2020\$)
Lower City - East to Kenilworth (Lawrence to CN Corridor)	8 stations / 60 pedal bikes	\$200,000	\$72,000/year
Mountain – North of Mohawk (Upper Gage to Scenic)	120 stations / 557 pedal bikes	\$2.3 million	\$668,400/year

Note: Operating estimates do not consider the additional distance that would be required for the operators to travel, the additional storage and fleet maintenance space required, and additional vehicles required for the expansion. There may also be a need for additional storage space.

The capital and operation costs of the lower City expansion to Kenilworth are covered in the current operations agreement and funded as part of the partnership model. Further consideration and analysis for expansion in Ward 4 are underway.

The propensity analysis also suggested other expansions opportunities including an eastward expansion of the lower City service area to Eastgate Square, the south Mountain (Mohawk to Rymal), Valley Park, a realignment of the Dundas deployment, and the historic cores of Stoney Creek, Ancaster and Waterdown. Further investment in cycling infrastructure in these areas would help increase their propensity. Additional investments in cycling infrastructure, both in these areas and City-wide, will also help to continue the bike share program’s success.

All of these and other areas of the City will be analysed in the Future of Micromobility report currently underway.

- Everyone Rides Initiative

Hamilton’s Everyone Rides Initiative would continue to operate under the recommended model. The Everyone Rides Initiative is an initiative of Hamilton Bike Share Inc. and operates independently and at no cost to the City. It provides cycling education, outreach, discounted access to the bike share system, advice and support to the City on system expansion, and promotes a range of initiatives that remove barriers to cycling across the City. Operational funding has been provided to the Everyone Rides Initiative through the partnership model and led to the enhancement of the program and the support for two adaptive bike share hubs; one in Gore Park and the other in Bayfront Park. Those with mobility challenges can use trikes to explore areas in the East and Downtown, through this program.

The capital costs of Adaptive Bike Program are over \$100,000 (including two shipping containers, placemaking/beautification mural art, and 16-specialized bikes and adaptive accessories) which were not funded by the City but leveraged through grants awarded to Hamilton Bike Share Inc.

The Everyone Rides Initiative and CityHousing Hamilton are partnering on a pilot project to provide subsidized bike share passes to residents in new affordable housing development with limited parking.

- Electric Bike Share Bikes (E-bikes)

Electric assist bikes (E-bikes) have become popular for bike share systems, especially those that operate in areas with grade changes (e.g. hilly areas). E-bikes look like a normal bike but provide a boost to the rider through a pedal assist. E-bikes help with hills and inclines, reduce emissions by 97% relative to automobiles, allow people to travel longer distances, and help to get people cycling who may not otherwise ride a traditional bike because of physical constraints. Riders often make longer and more frequent trips due to less physical exhaustion and increased convenience. Toronto Bike Share has introduced E-bikes as part of their fleet, while Portland's BikeTown system replaced their manual bike system with a completely electric fleet.

The City's existing bike share bikes are manually powered, which reflects the available bikes at the time of the initial procurement. Integrating E-bikes could help increase the usefulness of the system to residents of different abilities, particularly if the system expands across the Escarpment.

Experience in other jurisdictions has found that E-bikes cost twice as much to purchase and operate as manual bikes but are generally used twice as often per day. Through the Climate Change Action Strategy funding, a pilot program was approved on October 25, 2023 by Council (23-019 item 1(a)(c)(i)) and is intended to be fully self-funding and not require any operational costs. The e-bikeshare pilot will include the purchase, launch and operations of the e-bike program. This funding is separate from the partnership model funding being proposed in this Report PED20109(f) and will not be used for general pedal bike operations. This will give Hamilton Bike Share Inc. and the City the opportunity to test e-bikes as part of the bike share fleet and determine the actual operating costs and usage of these bikes to determine if an electric fleet expansion will benefit current and future users in the Hamilton escarpment neighbourhoods.

ALTERNATIVES FOR CONSIDERATION

Provide a funding match for the partnership model that equals previous contributions.

Council could opt to provide funding that does not include the inflationary cost increases and matches the amount previously approved in PED20109(d) of \$55 per bike per month. However, this would not meet the spirit of the partnership model which is to provide half the operational costs for the bike share program and would put pressure on Hamilton Bike Share Inc. to further generate additional external revenues over and above what they currently generate. This may not result in a fully sustainable bike share service.

APPENDICES AND SCHEDULES ATTACHED

Not applicable.