



City of Hamilton Report for Information

To: Mayor and Members
General Issues Committee

Date: April 9, 2025

Report No: PED20109(g)

Subject/Title: Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding
(Outstanding Business List)

Ward(s) Affected: City Wide

Recommendations

1) That Report PED20109(g) respecting Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding **BE RECEIVED** for information.

Key Facts

- This Report responds to the deferral motion approved by the General Issues Committee (GIC) on December 4, 2024 that asked staff to report back with Hamilton Bike Share Incorporated's (HBSI) financial statements, provide more detailed ridership trends, and provide an analysis of the costs associated with current and future growth plans for the Public Bike Share Program.
- Report PED20109(f) recommends a two-year contract extension with Hamilton Bike Share Inc. to operate the public bike share transit program.
- On March 30, 2022, in City Council Minutes 22-007, item 24, Council approved a partnership agreement with Hamilton Bike Share Inc. to operate the City-owned bike share assets, where the City provides contributions for the bike share operations, and the Report PED20109(f) seeks to extend the operating arrangement. The original agreement supports 900 bikes, which is proposed to increase to 1,000 bikes to meet growing demand for bike share and provide the required maintenance for the aging assets.
- There are no financial impacts for the 2025 budget year.

Financial Considerations

- Confidential Appendix A to Report PED20109(g) contains Hamilton Bike Share Incorporated's 2023 Audited Financial Statements, 2024 Preliminary Financial Statements, and a financial analysis conducted by the City of Hamilton's Finance Department.
- Report PED20109(f) recommends the annual budget used to provide funding to the bikeshare system in 2026 be increased by \$150,000 raising the current annual allocation upset limit from \$594,000 to \$744,000 broken down as follows:
 - \$57,800 increase in direct funding to Hamilton Bike Share Inc. for service enhancements and inflationary costs;
 - \$50,400 in connection fees paid to Mobility Cloud;
 - \$30,000 for adaptive and equitable bike share programs; and,
 - \$12,000 for increased Capital Improvements due to fleet increases.

Additionally, Report PED20109(f) recommends eliminating the reliance on the Cash-in-lieu of Parking Reserve, ensuring long-term financial sustainability. This contribution is currently \$108,000.

- **Figure 1** illustrates the current vs. proposed funding for Hamilton Bike Share Inc. (HBSI), highlighting increases in operating and capital costs to support an expanded fleet. The proposed budget accounts for operating 100 additional bikes already owned by the City, inflationary costs, and rising operational expenses, including maintenance, connectivity, and accessibility contributions.
- **Figure 2** illustrates how funding would be allocated to support bike share operations starting in 2026. The distribution includes:
 - **Operating Contribution:** \$30 per bike per month paid to Hamilton Bike Share Inc. to help the bike share operations.
 - **Accessibility Contribution:** \$7 per bike per month to support inclusive programming through the Everyone Rides Initiative (ERI), including adaptive bike hubs at Gage Park and the Waterfront, which offer alternative bicycles like three-wheeled and recumbent bikes.
 - **Connectivity Fee:** \$15 per bike per month paid to Mobility Cloud to cover backend processing and internet connectivity for the bikes. Any surplus can be reallocated to related operational needs.
 - **Capital Improvement Fund:** \$10 per bike per month used to maintain and enhance City-owned assets, including fleet vehicles, bike parts, and other equipment upgrades.

Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding (City Wide)

Figure 1: Explanation of Bike Share Operations Cost and Proposed Contributions for 2026 – 2027

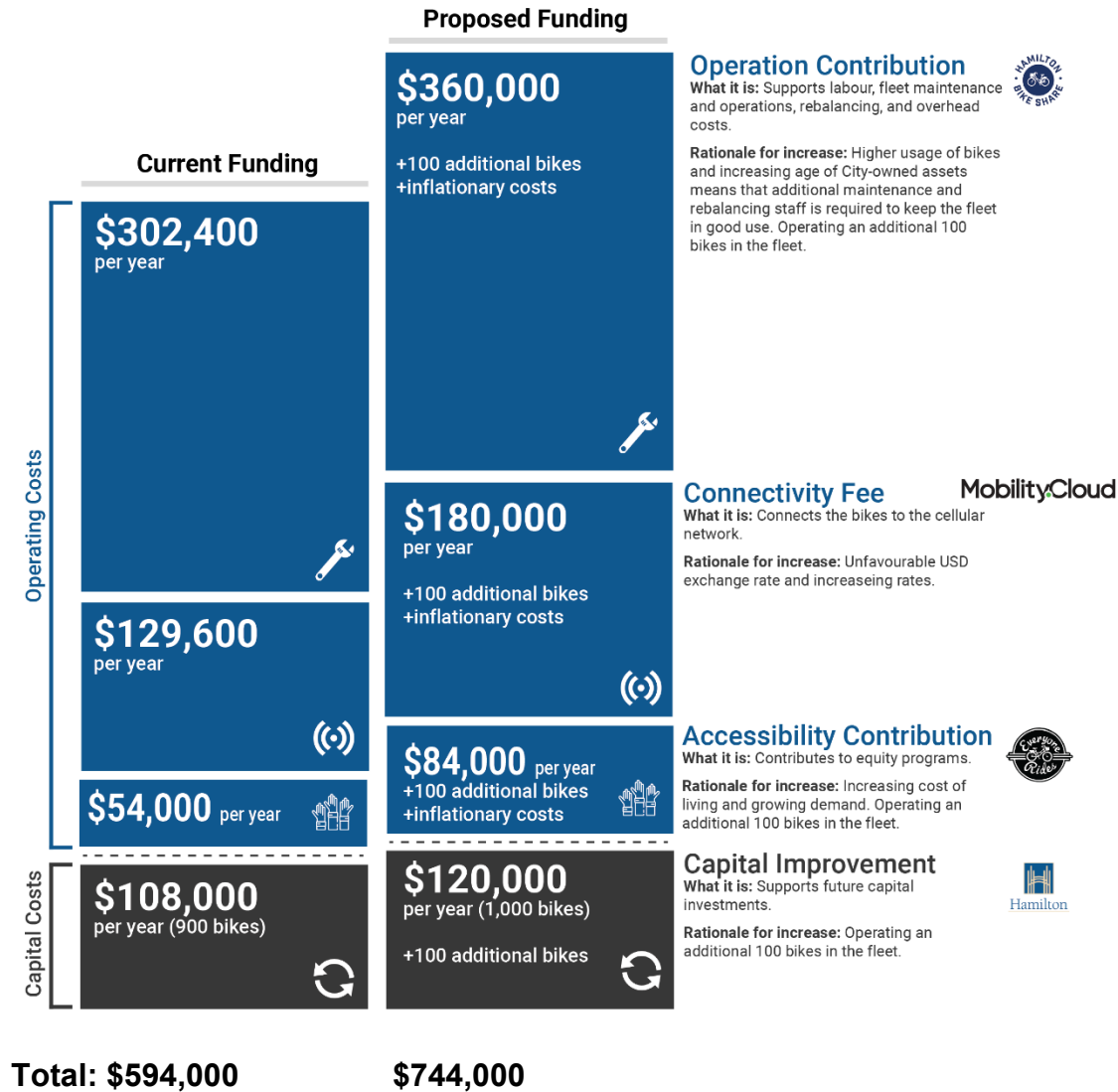
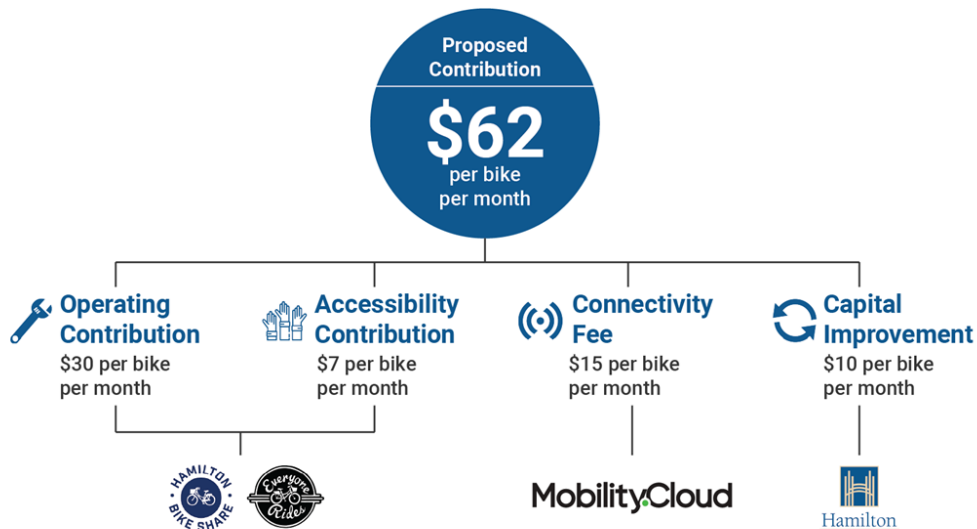


Figure 2: Proposed City Contribution Funding Breakdown (2026 - 2027)



Background

Report PED20109(g) is a follow-up to the deferred report PED20109(f) presented to the General Issues Committee on December 4, 2024 where Council asked staff to provide an Information Report with additional information on the current and future operation of Hamilton Bike Share Program including ridership trends, costs associated with current and future growth plans including the detailed financial statements of Hamilton Bike Share.

Analysis

In order to respond to the questions posed by Councillors related to the motion to defer Report PED20109(f), three main areas of analysis will be presented in this Report, including: the Current Bike Share Model and Asset Ownership, Bike Share Financials and Return on Investment, and Bike Share Community Impact.

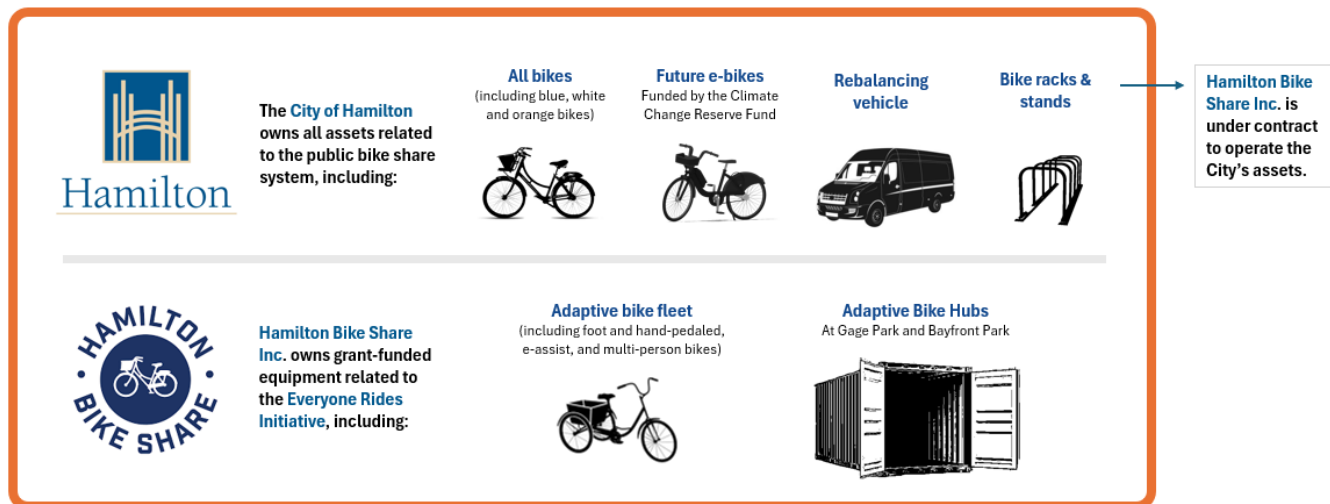
Current Bike Share Model and Asset Ownership

- Bike Share Ownership

In Report PED20109(d) and Report PED20109(f), the ownership of the bike share program is laid out. The City owns the bikes, controllers (computers that allow bikes to be signed out), signage, hub racks, parts and balancing equipment, including the Ford E-transit. Hamilton Bike Share Inc. is the contracted operator of the program and the partner in funding the program. In addition, they operate the Everyone Rides Initiative program, which provides programming to community members from across Hamilton

who have barriers to accessing the Hamilton Bike Share program. Hamilton Bike Share Inc. owns all assets associated with the Everyone Rides Initiative program. Figure 3 depicts this ownership of different assets owned by the City and by Hamilton Bike Share Inc.

Figure 3: Description of the Ownership of Assets for the Hamilton Bike Share Program



Hamilton Bike Share Inc. is responsible for collecting user fees and generating sponsorship and advertising revenues to operate the bike share program. The City contributes to the funds collected by Hamilton Bike Share Inc., with a matching financial contribution of up-to 50%.

E-bikes Funded by The Climate Change Reserve Fund Are City Assets

Climate Change Action Strategy reserve funding was awarded to the bike share program to purchase and operate e-bikes for the public bike share system fleet on October 18, 2023 (Report PED23222). These funds were received by staff in Transportation Planning and Parking and are being used to purchase e-bikes that will become City assets upon acceptance.

The e-bikes will be operated by Hamilton Bike Share Inc. as part of the publicly accessible bike share fleet. Hamilton Bike Share Inc. will receive some funding, via City staff, to initiate the pilot program and maintain the bikes in service.

The majority of the funding will go to the purchase of the e-bikes that the City will own. Hamilton Bike Share Inc. will only receive a portion to operate and maintain them as part of the City-owned fleet, as depicted in Figure 3.

Financial Operating Contributions and the Partnership Model

The City of Hamilton has owned the bike share program and its assets since it launched in January 2015. Between 2015 and 2020, the program was operated by Social Bicycles LLC and later Uber Inc. in 2019, when they purchased Social Bicycles LLC. During this period, any operating subsidies were provided by the private sector. This arrangement is atypical for a station-based bike share program and today, most bike

share programs that operate similar to Hamilton’s program receive public funding. This includes Toronto Bike Share, Montreal Bixi, and Vancouver’s Mobi bike share programs. These programs are operated under a public transit model that prioritize transit connectivity, a wide coverage area, predictable station locations, reasonable membership rates and equity programs.

When Uber decided to end its bike share operations in North America, Hamilton’s program needed to adapt. The Partnership Model was approved by Council as a fiscally responsible way forward where the City and the Operator, Hamilton Bike Share Inc., share in the operating costs of the system with matching contributions on a per-bike basis. This Report PED20109(g) clarifies this relationship and supports the recommendations of Report PED20109(f) which seek Council approval to extend the operating contract with Hamilton Bike Share Inc. for 2026 and 2027 with a small increase in the matching contributions as depicted in Figures 1 and 2.

Annual Financial Review and Compliance

Under the Partnership Model contract with the City, Hamilton Bike Share Inc. must submit audited financial statements annually. City staff review these statements to assess Hamilton Bike Share Incorporated’s financial capacity to operate the program, ensure compliance with matching contribution requirements, verify financial stability, and confirm that funds are being used appropriately. Since the contract’s inception, these reviews have consistently affirmed Hamilton Bike Share Incorporated’s financial standing.

Table 1, presented in Report PED20109(f) and updated below, shows the projected costs and revenues, and the actuals for 2023. Based on the information, Hamilton Bike Share Inc. has met its commitments and targets. The overall operating expenses for bike share operations were \$88 per bike per month, well within industry standards.

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 (audited financials)
Estimated Revenue (Operator)				
User Fees	\$170-\$190 K	\$230-\$260 K	\$230-\$260 K	\$415 K
Donations/Sponsorships ⁽¹⁾	Approximately \$260 K	Approximately \$260 K	\$150-\$200 K	\$109 K
Partnership Model City Contribution	nil	nil	\$302 K	\$282 K
Connectivity Fee City Contribution	nil	nil	\$130 K	\$120K

**Public Bike Share Program Phased Procurement Process – Sustainable
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	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 (audited financials)
Everyone Rides Initiative (ERI) Equity Program	nil	nil	\$54 K	\$52 K
Total	\$430-450 K	\$490-520 K	\$866-946 K	\$978 K
Estimated Expenses (Operator)				
Operating Expenses (including Everyone Rides Initiative (ERI) expenses)	\$540 K	\$827 K	\$827 K	\$862 K
Connectivity Fee	\$130 K	\$130 K	\$130 K	\$120 K
Total	\$670 K	\$957K	\$957 K	\$982 K
Operating Surplus (Deficit)	(\$220-\$240 K)	(\$437-\$467 K)	(\$11-\$91 K)	(\$4 K)

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

Bike Share Financials and Return on Investment

Table 1 confirms the accuracy of the data used to determine the City’s financial contributions from 2022 to 2025. Over the first term of the Partnership Model contract, the City covered 22% to 38% of the bike share program’s operating costs.

Report PED20109(f) seeks a two-year extension of the operating contract, incorporating inflationary adjustments and fleet operational enhancements to address changes since 2022. The extension is necessary as City staff have recently initiated a “Future of Micromobility Study” which will be completed in 2025. This study will develop a five-year operating plan for micromobility in Hamilton, assessing the program’s performance, evaluating alternative operating models, and outlining expansion plans for micromobility services.

As part of the deferral of Report PED20109(f), Council directed staff to analyze the costs of current and future growth plans. While the “Future of Micromobility Study” (scheduled for completion by the end of 2025) will provide a comprehensive analysis, this Report PED20109(g) offers a preliminary assessment.

A key factor in the next five years is the launch of the McMaster Universal Bike Share Pass program, initiated by McMaster students in partnership with Hamilton Bike Share Inc. This program provides bike share access to all undergraduate students and was approved as part of the Universal-Pass program in 2024. City staff need additional time to collect and analyze data on the pass program’s initial performance, assess usage patterns, and evaluate its impact on mid-range micromobility planning. Report

PED20109(f) requests a two-year extension of the current operating contract to allow for this analysis and to adapt to these changes.

The McMaster Universal-Pass program was launched by a student referendum to increase all undergraduate student fees by \$24.50 and provide all students with access to the bike share program annually. Similar to the Universal Transit Pass program operated by the Hamilton Street Railway (HSR) in partnership with the students, the fee is paid regardless of whether a student uses the service or not. While the pass is offered at a reduced rate, the bike share program and the HSR get a guaranteed revenue from a universal pass program. A universal pass program allows the operator to provide a high level of service because of the revenue guarantee. The Partnership Model between the City and Hamilton Bike Share Inc. requires Hamilton Bike Share Inc. to provide new revenue sources as part of the agreement, and this partnership with the McMaster students is part of Hamilton Bike Share Incorporated's fulfilling their commitments to the Partnership. The Universal-Pass program provides a good return on investment for both the Bike share program and the students and contributes to the financial viability and growth of the bike share program.

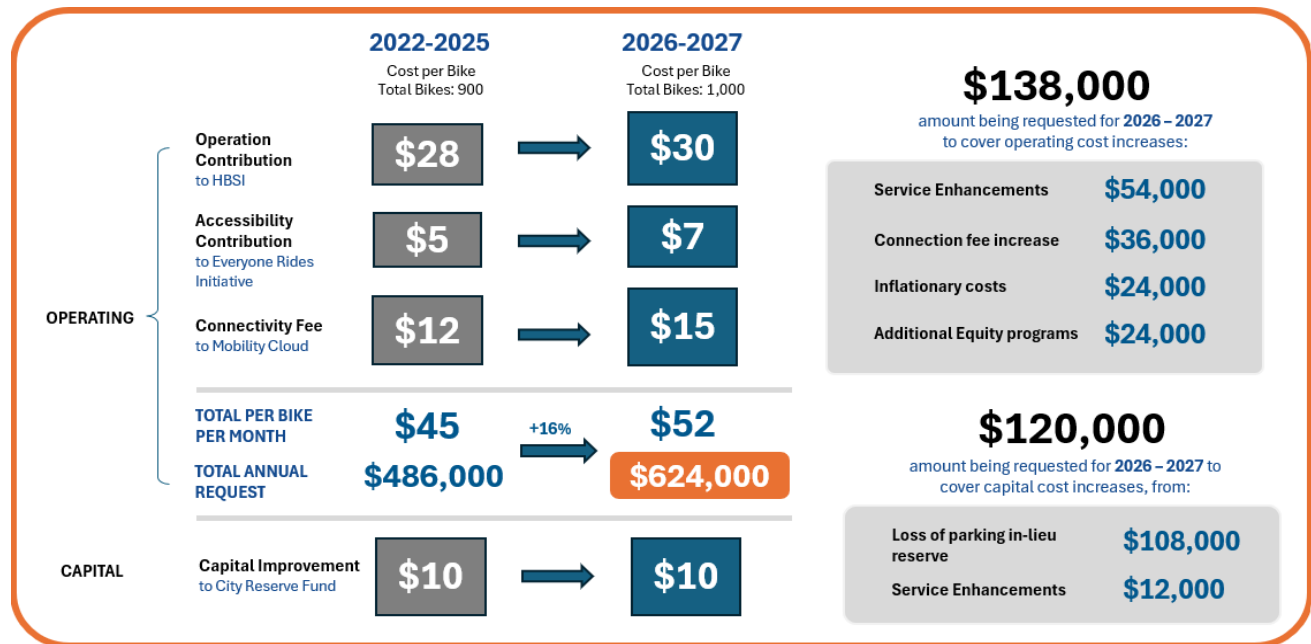
- Current Growth Plans

The current state of bike share operations is highlighted in Table 1. It covers the operation's costs and revenues for the system that spans parts of Ward 13, Ward 1, Ward 2, Ward 3, and Ward 4 between Ottawa Street and Kenilworth Avenue, and Ward 5 at Van Wagners Beach (seasonal).

To maintain this system in the next two years, Report PED20109(f) recommends a 25% increase to the City's contribution in order to increase the number of operational bikes from 900 to 1,000 bikes and provide inflationary increases from the financial assessments completed in 2022. The operating fees are calculated per bike, and this represents a per bike fee increase from \$45 to \$52 per bike per month, and a continuation of a \$10 fee per bike per month for the City's state of good repair Capital Improvements. In total, this represents an increase of \$7 per bike per month, for a total of \$62 per bike per month. This is shown in Figure 4.

Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding (City Wide)

Figure 4: Total Proposed Funding Breakdown and Fee Increase Explanation



Figures 1, 2 and 3 break down the costs and what they correspond to. The operations contribution that is provided to Hamilton Bike Share Inc. is \$30 per bike per month, for a total of \$360,000. Hamilton Bike Share Incorporated’s Everyone Rides Initiative program receives \$7 per bike per month through the Accessibility Contribution to maintain accessible bike share access, including adaptive cycling programs and subsidized passes for low-income community members. The Connectivity Fee, which is paid to external provider Mobility Cloud, connects each bike to the internet and maintains the software that connects bikes to the network. These fees do not go to Hamilton Bike Share Inc. for operations.

In total, the recommended increase in Report PED20109(f) is \$138,000, where \$90,000 of this funding is due to the need to enhance the service by raising the cap on the number of operating bikes and related increase in connectivity fees to meet existing demand. The increased ridership experienced in 2024 has already required an increase in bikes and maintenance services to meet demand beyond the current cap of 900. The additional increase in funding is \$24,000 for equity programs and accessibility programs and \$24,000 for operations, which reflected increased cost of labour, inflationary costs for parts and materials, and increased demand for subsidized passes.

The additional funding that contributes to the total proposed increase in Report PED20109(f) is due to the Capital Improvement fund of \$10 per bike per month for a total of \$120,000. The Capital Improvement plan was previously provided from the Cash in-lieu-of Parking Reserve and was proposed in Report PED20109(f) to come from the levy instead. Staff have investigated the Cash in-lieu-of Parking Reserve, and although its total available funds are historically low, it could continue to fund the state of good

Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding (City Wide)

repair costs for 2026 and 2027, removing \$120,000 from the proposed increase in funding to the Operating Budget. However, given recent changes to parking requirements through the Zoning By-law, it is expected that this will not be a long-term, sustainable option due to the loss of external funding to replenish the reserve.

- Future Growth Plans and Return on Investment

The Recommendations in PED20109(f) provide a conservative path forward for the contract extension between the City and Hamilton Bike Share Inc. that ensure a sustained level of service while the Future of Micromobility Study is completed, and the McMaster Universal Bike Share pass program results are analysed. This Report and analysis will be presented to the General Issues Committee in Q1 of 2026, including a five-year Micromobility work plan.

Table 2 projects bike share operating costs through 2027, demonstrating a sustainable trajectory for the program with the recommended funding in Report PED20109(f).

Together, Tables 1 and 2 confirm a clear understanding of the program’s projected revenues and expenses. These forecasts will guide the joint City and Hamilton Bike Share Inc. workplan, ensuring that funding targets are met and the program remains financially viable.

Table 2: Actual and Projected Bike Share Operating Costs 2023 - 2027

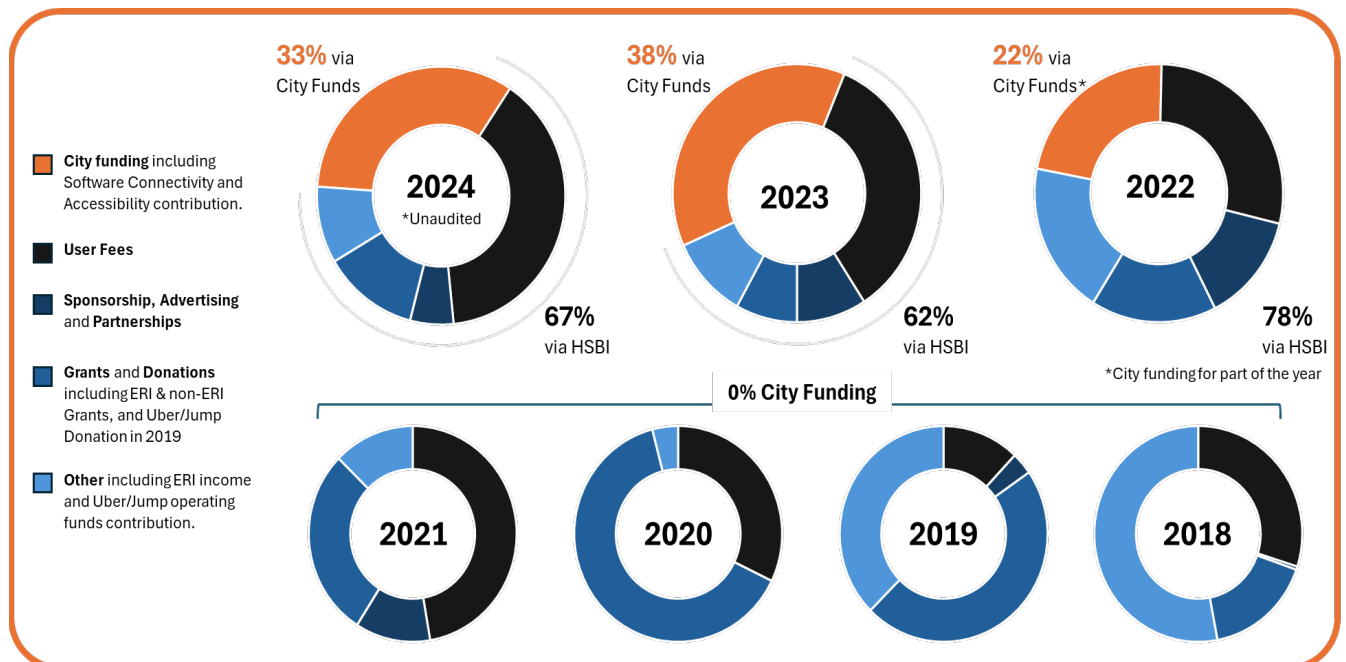
	Actual Operations 2023 (audited financials)	Actual Operations 2024 (unaudited financials)	Projected Operations 2025	Projected Operations 2026	Projected Operations 2027
Estimated Revenue (Operator)					
User Fees	\$415 K	\$533 K	\$998 K	\$1.01M	\$1.04M
Donations/Sponsorships ⁽¹⁾	\$109 K	\$77 K	\$133K	\$103 K	\$113 K
Partnership Model City Contribution	\$282 K	\$285 K	\$290 K	\$360 K	\$360 K
Connectivity Fee City Contribution	\$120 K	\$123 K	\$128 K	\$180 K	\$180 K
Everyone Rides Initiative (ERI) Equity Program	\$52 K	\$49 K	\$52 K	\$84 K	\$84 K
Total	\$978 K	\$1.07M	\$1.60M	\$1.74M	\$1.78M
Estimated Expenses (Operator)					
Operating Expenses (including Everyone Rides Initiative (ERI) expenses)	\$862 K	\$1.03M	\$1.41M	\$1.55M	\$1.65M
Connectivity Fee	\$120 K	\$116 K	\$140 K	\$180 K	\$180 K
Total	\$982 K	\$1.15M	\$1.55M	\$1.73M	\$1.83M
Operating Surplus (Deficit)	(\$4 K)	(\$84 K)	\$50 K	11 K	(\$53 K)

○ Bike Share Program Return on Investment

The Bike Share program was designed as a public transportation system for people of many ages, incomes, and abilities; that would operate with a combination of private sector, public sector and grant funding. This included funding from Social Bicycles LLC, the original provider of the bike share equipment, and later Uber Inc., who acquired Social Bicycles; as well as private donors, sponsors, advertisers and public granting organizations. In Report PW13015 (presented to PW committee on February 25, 2013) and subsequent Reports PW13015(a) (presented on March 20, 2013) and Report PW13015(b) (presented on December 2, 2013), it was implied that a mix of funding would be required to operate the bike share program and compared the Hamilton system to peer systems in North America. The program was planned to be revenue neutral for five years, which was achieved. While the City has contributed some funds, since 2022, the total City contribution to the start-up and operations of the bike share program is 15% of the overall cost, as shown in Figure 5.

This represents a significant financial return on investment over the last ten years of bike share and micromobility system operations. Figure 5, provides a further breakdown of financial contributions from 2018 to 2024, demonstrating the success of the bike share program in attracting a mix of funding sources, providing a very good return on the initial system investment which used \$1.6 Million in Quick Wins funding from Metrolinx. Overall, during the Partnership period between 2022 to 2024, the City has contributed between 22% to 38% of the operating costs, which is lower than most municipal contributions in other cities.

Figure 5: Bike Share Funding Sources by Year



Since 2022, the micromobility landscape has shifted, with bike share systems becoming more stable and sustainable forms of public transportation and receiving municipal financial contributions, as the systems continue to serve more neighbourhoods outside of their downtown cores. Hamilton's large service area, equitable distribution of bike share hubs, and focus on supporting transit make it an ideal first/last mile transit connector; providing a high return on investment. This was further elaborated on in Appendix A of Report PED20109(c) presented to the General Issues Committee on November 16, 2020: "Hamilton Shared Micro-mobility - Assessment of Operating Models, Funding Sources, and Role of Not-For-Profit Organizations" (herein referred to as the Micromobility Assessment). This document calculated the benefit-cost ratio of the bike share system to be 1.2, in addition to unmonetized mobility, equity and road safety benefits. This Return on Investment (ROI) calculation will be further elaborated on in the Future of Micromobility report that is planned to be complete in 2026.

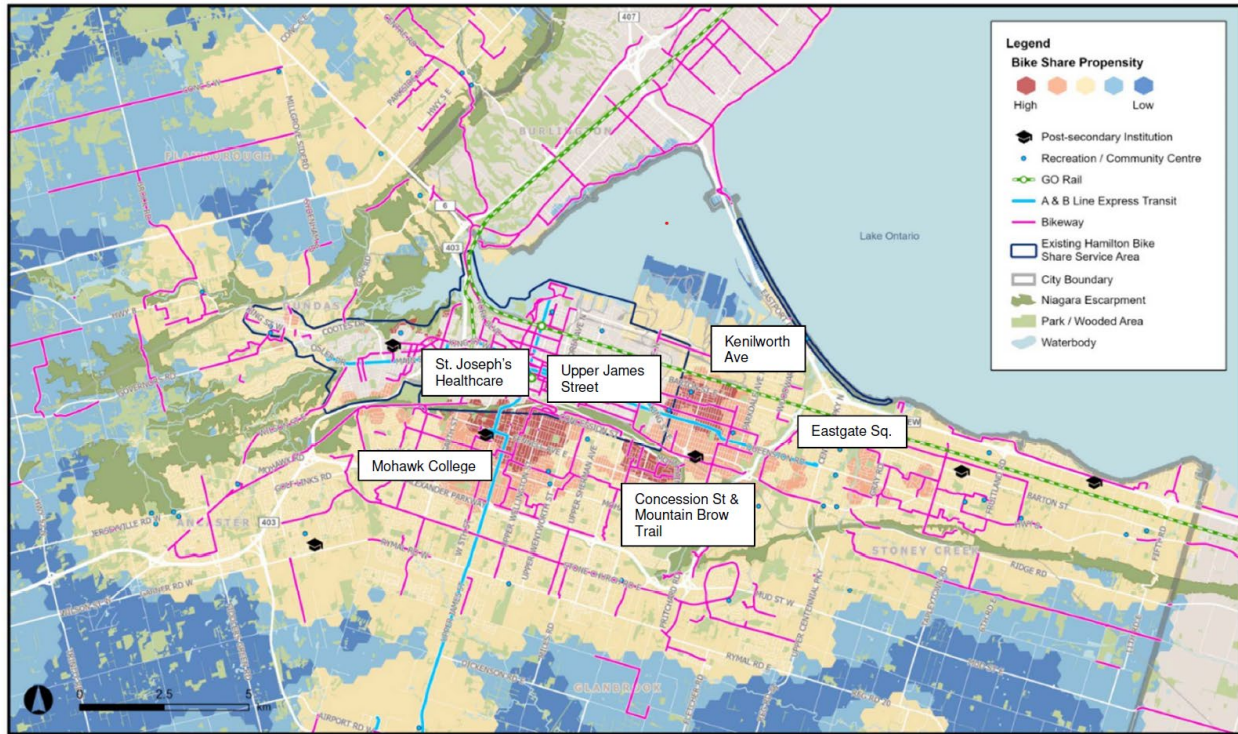
- Bike Share and Micromobility Program Expansion

This Micromobility Assessment completed in 2020 also analysed the expansion opportunities for the bike share program once the current service area was sustained in between 2022 to 2025. (depicted in Figure 6). Tables 1 and 2 demonstrates the financial sustainability of the program. The next two years provide the opportunity for staff to continue the implementation of the expansion, which began with the 2024 expansion into Ward 4, referenced in Report PED20109(f) and funded through a federal grant secured by Hamilton Bike Share Inc.

The Micromobility Assessment identified Wards 4, 6, 8 and 14 as primary candidates for expansion, as well as additional "satellite" areas in Ward 5, Ward 9 (Valley Park) and the former municipalities of Ancaster, Stoney Creek, and Waterdown. Additional future considerations include continuing the bike share program along the LRT corridor and serving the Centennial GO Station and Confederation Park.

The Future of Micromobility study, to be completed in 2026, will further build on this work, develop estimated costing, and present a phased approach to the expansion. This report will provide Council with expansion costs, which may vary depending on the expansion area, funding options and potential funding sources. These expansion costs would be in addition to regular operating costs.

Figure 6: Map showing areas outside the service area with highest propensity for micromobility.



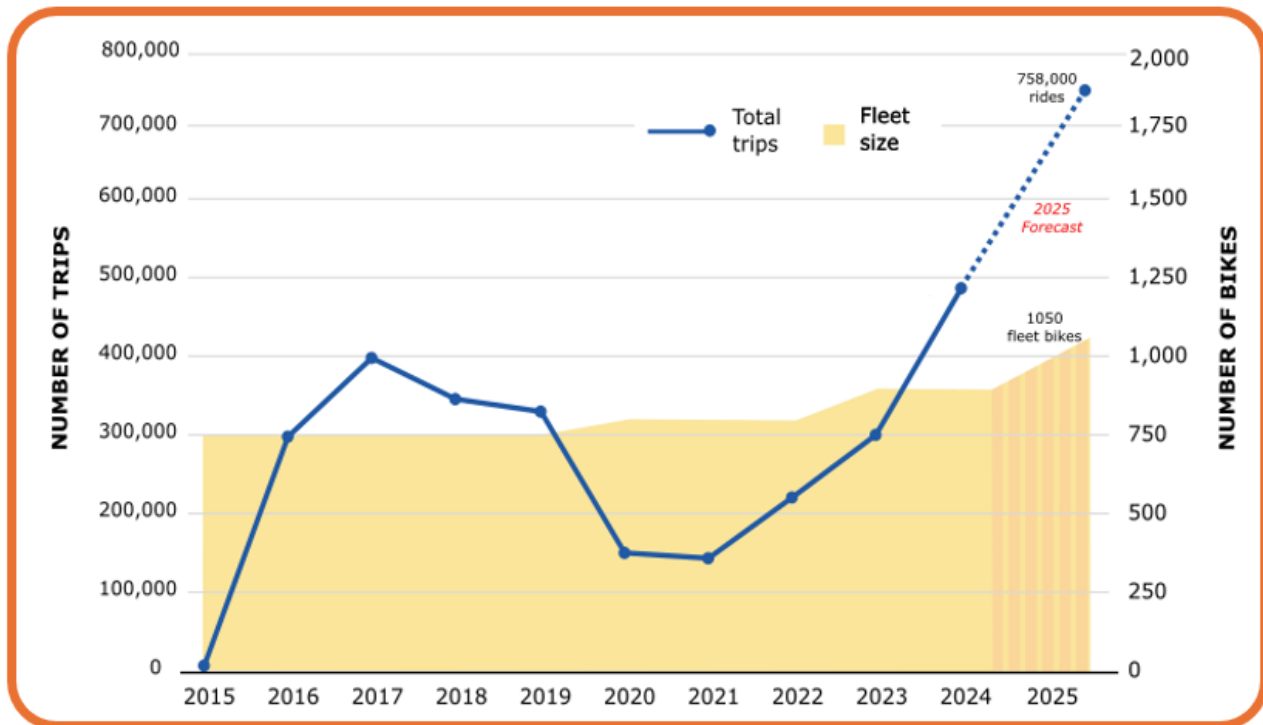
The E-scooter program will also be expanded into these identified areas using a phased approach.

- Community Impact and Ridership Trends

The North American Bike and Scooter Share Association (NABSA) State of the Industry report provides information of micromobility trends in North America. When compared to its peers, Hamilton's program is a top performing mid-sized city bike share program. As of January 2025, the Hamilton Bike Share program has over 32,000 active members, with 900 bicycles in operation across over 150 hubs. Riders have travelled over 6.5 million kilometres across over 3 million trips. Compared to average car travel, they have reduced 1.6 million tons of carbon equivalent, burned 161 million calories, and saved \$2.3 Million dollars collectively.

Between the system launch in 2015 to 2019, the Hamilton Bike Share system consistently operated with 300,000 or more rides per year. In 2020, Uber Inc. unexpectedly divested its North American bike share holdings, resulting in the termination of all members to the program. However, since then, the program has recovered, building year over year ridership and surpassing the 300,000-ride threshold in 2023 and nearing 500,000 rides in 2024. Figure 7 shows this growth pattern.

Figure 7: Hamilton Bike Share Annual Ridership and Bike Availability 2015 – 2024



**In 2020, the service was suspended, and the system lost all members due to the termination of the operating contract by Uber Inc. In 2020, Hamilton Bike Share Inc. took over the contract and resumed operations.*

- Bike Share Equity

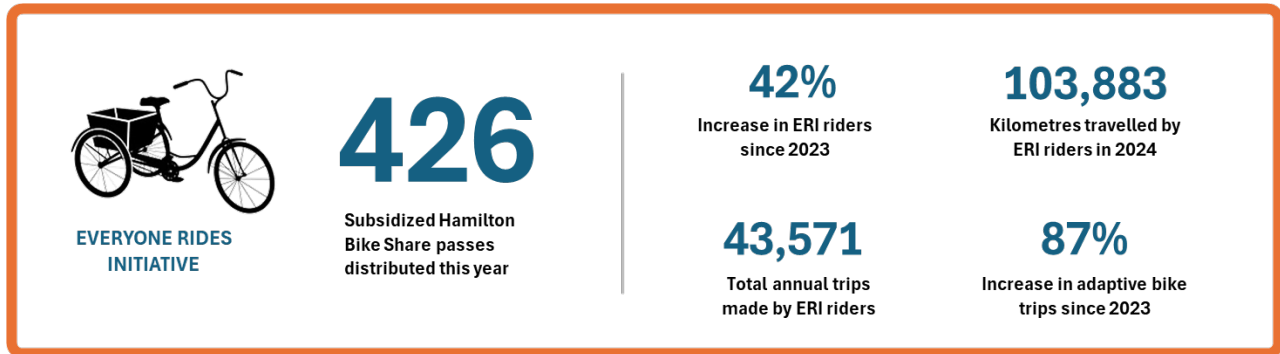
Hamilton Bike Share Inc.'s equity program, the Everyone Rides Initiative, has also seen year over year growth, with 2024 being its most successful year. The Everyone Rides Initiative operates two grant-funded adaptive bike hubs in Gage Park and Bayfront Park. The hubs provide access to three-wheeled and other speciality bikes for seniors and adults with disabilities who cannot ride a two-wheeled pedal bike. Figure 8 shows the growth of the Everyone Rides Initiative program in subsidized passes, rides and adaptive trips taken.

- CityHousing Hamilton Everyone Rides Initiative Partnership

The Everyone Rides Initiative has partnered with CityHousing Hamilton to provide subsidized bike share access for CityHousing tenants, as well as subsidized bike share passes for health care clinics and other service providers. CityHousing Hamilton has expressed interest and demand for the bike share service area to expand further east, to service additional CityHousing buildings. The program also provides cycle training, newcomer programs, affordable access, alternative payment options, group rides, and other resources.

The Everyone Rides Initiative is one of the most successful bike share equity programs in North America and has established Hamilton as a leader in more equitable active transportation for all ages and all abilities.

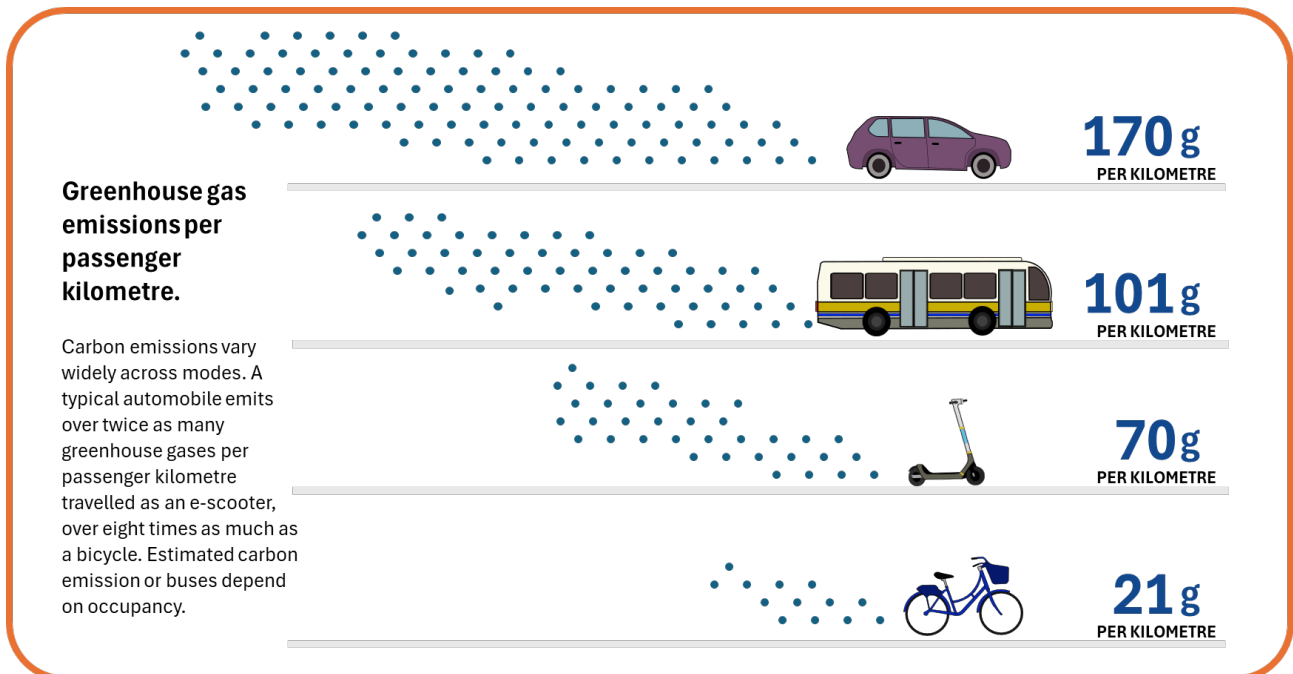
Figure 8: Everyone Rides Initiative Ridership Growth



o Climate Change Impacts

The bike share program is also associated with lower green-house gas emissions, which helps meet Council directives for increasing community resilience, reducing climate change impacts and becoming more adaptable to the changing climate. Figure 9 compares bike share to other modes of travel.

Figure 9: Greenhouse Gas Emissions By Mode

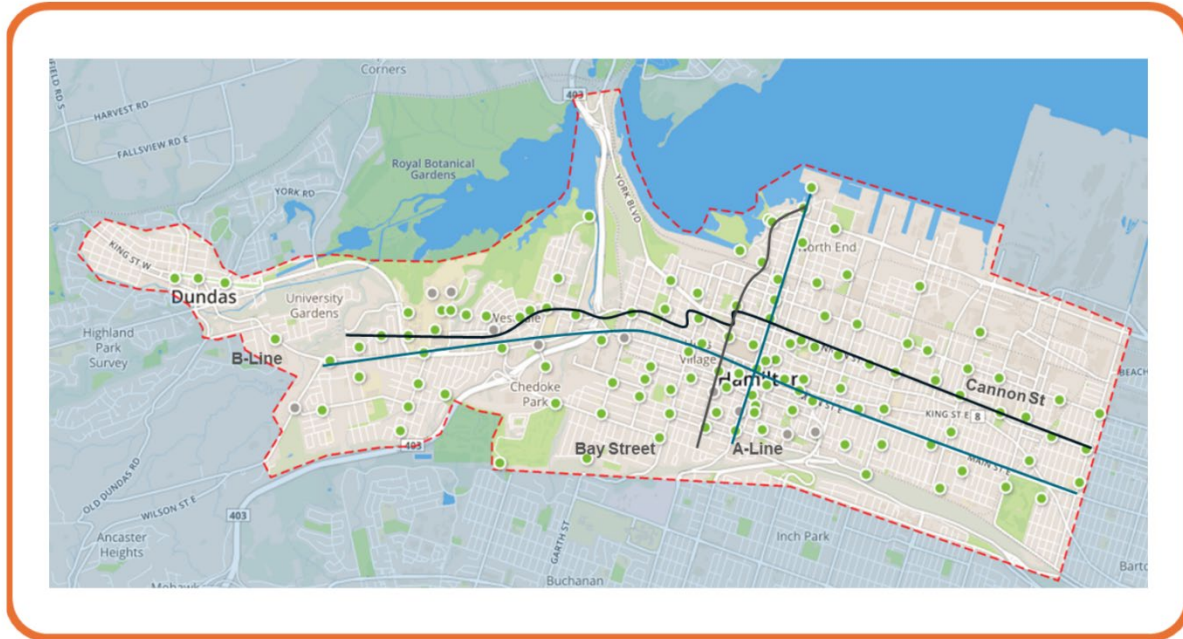


*Bike share emissions include lifecycle emissions (e.g. vehicle manufacturing, moving of bike share units, etc.)

o Public Transit Connectivity

The bike share program was designed to connect to public transit, especially in the A-line and B-line corridors in the lower City. The bike share hubs are aligned to these major transit corridors and stops; as well as the major bike corridors as show in Figure 10.

Figure 10: Original Map of Bike Share Hubs and Major Transit Corridors and Stops



According to the North American Bike and Scooter Share Association (NABSA), Bike Share State of the Industry Report, 2023, 70% of micromobility users say they have used shared micromobility, including bike share to connect to transit. The self-reported Hamilton survey results in 2023 and 2024 show that over 40% of bike share riders report using bike share to connect to transit. These are significant numbers that demonstrate the importance of bike share for helping riders navigate the first and last mile of their public transit trip, making them more likely to walk, cycle, and take transit for more trips in the future. These numbers correspond to the increase in active modes taken by residents in the Transportation Tomorrow Survey (TTS) data.

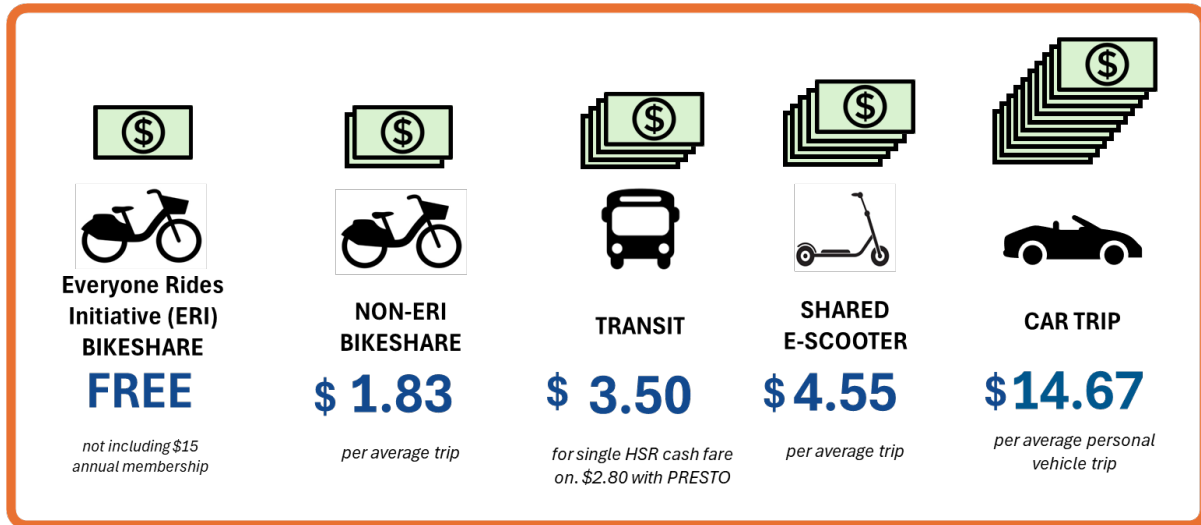
The positive results in the Transportation Tomorrow Survey (TTS) survey and the bike share survey underscore the importance for municipal investments in public transportation, as this can reduce the need for additional roads and road maintenance, which is a major cost for municipalities in Ontario.

- Affordability for the User and the City

Those who chose to ride public transit, e-scooters, and bike share are able to save a significant amount on their annual travel costs, as compared to driving a car. Households with more than one vehicle can use public transit and micromobility to reduce car ownership for their households with significant savings, which are on average \$10,000 per year, per vehicle. Figure 11 compares the different modes in terms

of costs to the user, showing that bike share is a cost-effective way to get around the City and connect to public transit.

Figure 11: Cost Comparisons between Travel Modes



Based on 2024 Average Trip Duration of 0:12:18 x PAYG cost per minute (\$0.15)

Based on HSR and PRESTO fare

Based on 2024 Average Trip Distance of 2.69km. Assumes 3 minute per km travel speed. Includes unlock fee \$1.15 and \$0.42 cost per minute.

Based on 2022 TTS Average Trip Distance (Auto) for trips Within Regional Municipality of Hamilton of 16.3km / Total Trips (762,069). Assumes Total Cost per KM of \$0.90 from CAA Driving Costs Calculator. Assumes 55/45 city/highway driving, annual mileage of 15,000-20,000 km, median maintenance cost range, \$150 monthly insurance, \$500 monthly car payment. Fuel at \$1.57 per L.

○ Evolution of Bike Share Funding in the Industry

Various original European bike share programs including Deutsche Bahn Call-a-Bike were publicly funded and developed to connect to transit. However, in the evolution of modern public bikeshare programs, which have become increasingly popular in North American cities since the late 2000s, they were envisioned and launched as non-profit public services that would be self-sustaining through user fees, sponsorship and advertisement revenues, avoiding dependence on public funds.

Despite their growing popularity among users, by the early 2010s, many municipalities began to see that revenues from user fees and sponsorship alone would not be sufficient to cover operating costs, including staffing, fleet maintenance, bike redistribution, repairs, customer service, and more. Seasonal fluctuations in ridership, particularly in winter cities, and challenges in maintaining equitable access to bikeshare across neighbourhoods, add further strain on funding.

By 2015, in North American systems, it became increasingly clear that the financial self-sufficiency model was not sustainable for most bikeshare systems. Cities began to step in with public contributions to ensure their continued operation, recognizing the broader societal benefits bikeshare provided, such as reducing traffic congestion,

lowering carbon emissions, and promoting public health. Hamilton was an exception because the City launched a new technology, the Smart Bike Share system, which was a proof of concept for Social Bicycles LLC at the time and had venture capital funding which avoided the need for public financial support.

As with road maintenance, public transit and other public services, subsidies and contributions paid for through tax expenditure or grants, enable the public to reap the benefits of these services without paying the full cost. Cities have come to see public bike share in the same way, where subsidies are needed to continue providing bike share programs that many enjoy and have come to rely on for shorter, more localized trips.

These financial supports enabled cities to expand networks to underserved areas, where the revenue potential was lower but the social and environmental impact was high. Hamilton has done this in parts of Wards 3 and 4, as part of the Everyone Rides Initiative. As a result, like many other cities, Hamilton's public bike share program functions as an extension of the public transit system. Bikeshare stations are installed at or near transit stations and stops, enabling users to use bikeshare to complete the first-and-last mile of trips to and from transit services.

This evolution, particularly since the mid-2010s, underscores the gap between the early vision of bikeshare as a self-funding service and the reality of operating complex, equitable, and accessible systems. Public investment has reframed bike share as a public good, increasingly seen as an extension of municipal public transit systems, that justifies funding due to its significant contributions to urban mobility, environmental goals, and community preferences.

Today, the bike share industry has evolved into a hybrid model that blends public and private funding, with most programs relying on municipal contributions to some extent.

- Public Health Impacts

There are several areas of public health benefit that bike share systems provide, in addition to improved air quality already mentioned: (i) increased physical activity rates and its' associated physical and mental health benefits, (ii) reduced healthcare costs, and (iii) reduced health inequities.

Bike share hubs, in association with active travel infrastructure (e.g. bike lanes, greenways), positively impact use of active travel and the amount of physical activity participated in among adults and children. Adequate physical activity, such as through cycling, is an effective way to meet the 24-hour movement guidelines which are evidenced to improve health, mental well-being, and fitness.

Studies consistently show that bike-sharing programs increase cycling frequency. For example, research in cities like Montreal, and London UK, have shown that individuals are more likely to use bikes for short trips, as bike share programs remove barriers like costs associated with bike ownership, maintenance, and storage.

With wide enough coverage, a bike share system enables residents to effectively access education, healthcare, amenities, and workplaces. All of which has a positive effect on physical activity behaviour, even in childhood, which promotes lifelong habits.

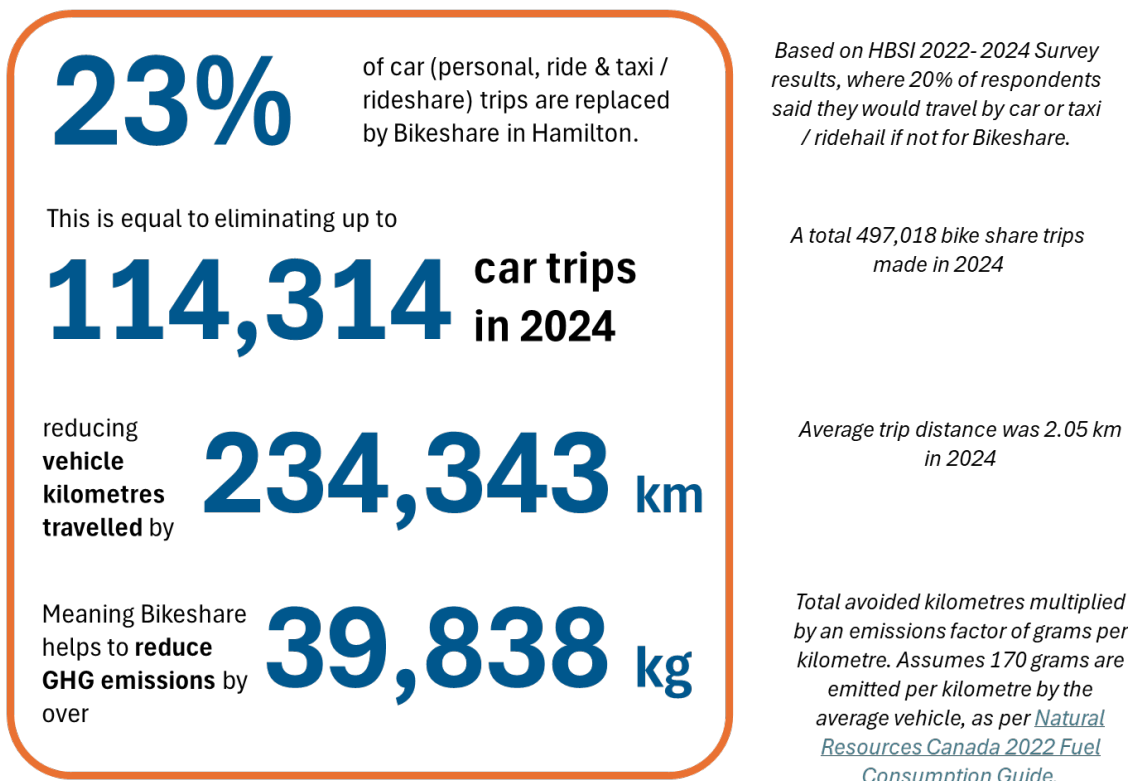
Bike share systems can increase physical activity rates (e.g. increased 30 million hours of physical activity across North America) and minimizes the environmental outcomes of motorized transportation (e.g. reducing carbon monoxide (CO₂) emissions by 65 million pounds). By replacing some car trips with cycling, research indicates that people can gain an additional nine life-years. Moreover, with the implementation of New York City's Citi Bike program, there is an estimated reduction of two-to-three premature deaths and annual savings on healthcare costs of \$18.8 to \$28.3 Million U.S. dollars. Closer to home, by not incorporating physical activity into Canadians' lifestyles, the healthcare system is estimated to spend \$6.8 Billion per year due to the impact physical inactivity has on chronic diseases.

In terms of health inequities, lower income neighbourhoods have historically been poorly designed resulting in increased safety and health risks. However, when active transportation is included in the neighbourhood design (i.e. bike share hubs, sidewalks, bike lanes, public transit, and roadways) social and health inequities are reduced. Hamilton has chosen to focus on these issues and established the Everyone Rides Initiative early in the development of the bike share system. Additionally, when individuals have affordable transportation options, they have more money to spend on necessities such as food and rent, or extras such as goods from local business. Thus, robust comprehensive, affordable public and active transit systems are a key component to addressing the cost-of-living crisis.

- Behaviour Change and Car Trip Replacement

The City has invested in behaviour change programs, including the Smart Commute program geared towards improving workplace travel, and the Schools program, geared towards improving school travel in terms of sustainability, safety and health. The bike share program was designed to complement this programming, as it establishes bike share vehicles in an accessible and convenient fashion across the city. The underpinning of behaviour change strategies for encouraging sustainable travel behaviour is to make other modes such as walking, cycling, and transit more accessible, convenient, safe and reliable. Bike share is a key strategy to achieve these goals. Through bike share rider surveys in 2022 – 2024, over 20% or one in five riders report replacing car trips with bike trips as shown in Figure 12. This is a significant reduction and is a number that is likely under reported because as people shift to bike share, year over year they will report driving less and therefore become less reliant on their vehicle. This results in a reduction of vehicle kilometres travelled and less wear and tear on public roads.

Figure 12: Car Trip Displacement by Bike Share

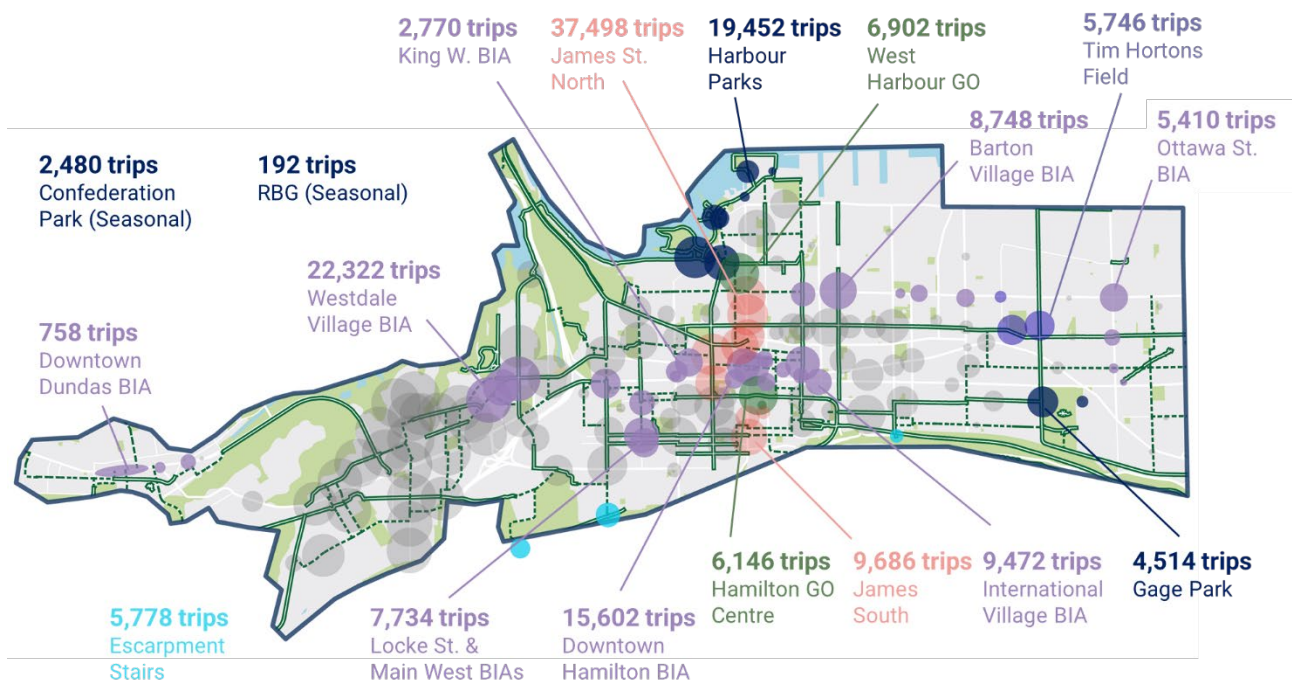


○ Support for Local Businesses and Attractions

The bike share program was designed to serve local businesses, major event spaces, transit terminals and stations, other tourist destinations. The bike share trip data to hubs demonstrates the success of the design and the popularity of hubs that serve these areas, both as destinations and starting points in a person’s trip. Numerous studies, such as ones completed by the Toronto by the Toronto Coalition for Active Transportation, show that when walking and cycling infrastructure, including bike share hubs, are placed in a business area, they generate additional profits for the businesses in that area. A significant proportion of bike share trips serve these important local destinations and may encourage additional patronage from bike share users at these businesses. A causal connection cannot be certain, but the probably is high, given the available trip data. Furthermore, the connection to escaarpment stairs as a destination demonstrates that residents wishing to access the lower city and vice versa are using bike share as a means to do this.

Figure 13 depicts these trips overlaid on a map of the bike share service area; with the exception of Confederation Park – Van Wagner’s beach, which operates as a bike rental for those wishing to access areas of the Waterfront.

Figure 13: Trips starting and Ending at Major Business Areas and Destinations in 2024



Alternatives

Provide the funding match for the partnership model that is recommended in Report PED20109(f) of \$62 per bike per month but fund the Capital Improvement costs from the Cash in-lieu-of Parking Reserve similar to what was done in 2022 – 2025.

The overall recommended contribution from the City presented in Report PED20109(f) is \$744,000; however, \$120,000 of this is for Capital Improvements of City assets that would not go to an external group and was previously funded from the Cash in-lieu-of Parking Reserve. If Council chooses to amend this and continue using the reserve, the total overall proposed funding from the levy for 2026 and 2027 would be \$624,000 annually, instead of the proposed \$744,000 annually. This alternative is supported by City Staff.

Allocation of Municipal Accommodation Tax to Bike Share

In 2022, Hamilton City Council approved By-law No. 22-209, establishing a mandatory Municipal Accommodation Tax (MAT) to be collected. The Municipal Accommodation Tax provides the City of Hamilton and the Hamilton Tourism Development Corporation with funding for destination marketing and tourism development initiatives, including investing in hosting significant tourism festivals and events that positively impact the local economy. Given Bike Share is utilized by tourists and as a promotion tool for

tourism, Council could choose to allocate a small portion of approximately \$50,000 to the Bike Share Program.

Relationship to Council Strategic Priorities

The Recommendations in Report PED20109(f) will strategically improve the Council priority areas:

1. Sustainable Economic & Ecological Development
 - 1.1. Reduce the burden on residential taxpayers – by decreasing travel costs.
 - 1.2. Facilitate the growth of key sectors – specifically the transportation sector.
 - 1.3. Accelerate our response to climate change – by using bike share as both a climate change mitigation strategy to reduce motor vehicle trips and as an adaptation strategy to provide suitable alternatives, reducing reliance on fuel.
2. Safe & Thriving Neighbourhoods
 - 2.1. Make sure people can safely and efficiently move around by foot, bike, transit, or car – the Everyone Rides Initiative, Bike Share, and the Micromobility program directly impact this priority.
 - 2.2. Provide vibrant parks, recreation, and public space – public bike share increases access to these spaces and bike share hubs are placed directly at these locations as key destinations.

Previous Reports Submitted

The previous reports related to this Report include:

- [PED20109](#) Social Bicycles and City of Hamilton Contract
- [PED20109\(a\)](#) Public Bike Share Transit Contract Update
- [PED20109\(b\)](#) Bike Share Storage
- [PED20109\(c\)](#) Public Bike Share Program Phased Procurement Process
- [PED20109\(d\)](#) Public Bike Share Program Phased Procurement Process –Sustainable Operations Model and Funding
- [PED20109\(e\)](#) Public Bike Share Program Phased Procurement Process –Sustainable Operations Model and Funding Update
- [PED20109\(f\)](#) Public Bike Share Program Phased Procurement Process – Sustainable Operations Model and Funding

Consultation

- Maja Walters, Manager, Finance and Administration, Corporate Services
- Susan Nicholson, Deputy City Solicitor, Legal and Risk Management, Corporate Services
- Ryan Waddell, Executive Director, Hamilton Bike Share Inc.
- Julia Hamil, Programs and Partnerships Director, Hamilton Bike Share Inc.
- Trevor Jenkins, Manager, Arcadis Inc.

Appendices and Schedules Attached

Appendix A: CONFIDENTIAL Appendix A to Report PED20109(g) – Hamilton Bike Share Inc. Audited Financial Statements

Discussion of Appendix "A" of this Report in Closed Session is pursuant to Section 9.3, sub-section (i) of the City's Procedural By-law 21-021, as amended, and Section 239(2), sub-section (i) of the Municipal Act, 2001, as amended, as the subject matter pertains to:

- *a trade secret or scientific, technical, commercial, financial, or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.*

Prepared by: Peter Topalovic, Manager, Active Transportation and Mobility Planning and Economic Development, Transportation Planning and Parking

Submitted and recommended by: Brian Hollingworth, Director Planning and Economic Development, Transportation Planning and Parking