



Memo

To: Mayor and City Council
CC: Tracey Nicholson, City Administrator
From: Jim Chandler, Assistant City Administrator
Date: January 26, 2017
Re: FY2018 Council Priority – Bikeshare Network

The purpose of this memorandum is to provide the City Council with Staff feedback regarding the FY2018 Budget Priority Bikeshare, systems within the City of Hyattsville, submitted by Mayor Candace Hollingsworth and discussed at the January 18, 2017.

In addition to the City Council's adopted 2016 Legislative Priority, the request was submitted by Mayor Hollingsworth as a FY2018 Council Budget Priority. It is the intent of this memorandum to respond to both the Legislative Priority and Budget request with substantive information for the City Council to consider.

Background Summary

The City's adopted 2016 Legislative Priorities included the implementation of a Bikeshare system, a network of shared bicycles that are docked within an established geographic network. Over the past several months, City staff has evaluated opportunities to join an established Bikeshare network system and the purpose of this memorandum is to brief the City Council on the timing, scope, costs and options for implementing Bikeshare in the community.

In July 2016, a Bikeshare report was published as a joint effort commissioned by ATHA, the City of Greenbelt and M-NCPPC, the purpose of which was to identify the feasibility of implementing a Bikeshare system in Prince George's County. The study scope included Capital Bikeshare and

mBike, both of which are current systems/operating models located within the region, identification of a preferred system, topography, market conditions, phasing and costs. The report concluded with a recommendation for the County to expand upon the existing Capital Bikeshare (CaBi) system and provided revenue, costs, phasing and other related information. The report recommendations propose Hyattsville be included in the first phase of system roll out, with 8-stations in Hyattsville, resulting in stations being located approximately ½ mile from each other.

Capital Bikeshare

Established in 2010, Capital Bikeshare (CaBi) is a public-private bicycle sharing system comprised of 429 stations that services Washington DC, Arlington County, the City of Alexandria, Fairfax County, VA. and Montgomery County, MD. The system is the second largest bicycle sharing system in the United States, second only to New York City's CitiBike system, which launched in 2013.

The CaBi system experienced a temporary setback in 2014, as the bicycle manufacturer, Montreal-based Public Bike System Co., went bankrupt and was later purchased by a new firm. In 2015 the CaBi system resumed expansion with its 400th station and more recently included an expansion into Reston and Tysons Corner, Virginia.

The CaBi system permits customers to join via a monthly/annual membership or the ability to pay for a rental with a credit card at the docking station. Riders are provided with a complimentary 30-minutes and then incur a fee for each additional 30-minute session, which ranges from \$1.50 - \$8.00 based on market demand. The system is a shared asset among the participating government entities with capital and operational costs financed through a combination of membership fees, user fees and sponsorship from participating government agencies.

mBike (Zagster)

In 2012, the City of College Park received a \$375,000 grant from the Maryland Department of Transportation to cover most of the costs for eight Capital Bikeshare stations in the City, which were scheduled to be operational by 2013. The City also received \$250,000 in grant funds from Prince George's County to assist with the cost of the system. As the City was scheduled to launch its program, CaBi's bicycle manufacturer went bankrupt, making it necessary for the City to pursue another bikesharing system.

In 2015, the City of College Park committed to a 36-month agreement with bikesharing firm Zagster, a system that unlike CaBi, is not reliant on docking stations, with the technology built into the bike. Members can use the technology on the bike to lock it up anywhere, meaning they don't necessarily need to return the bike to a station. Zagster is predominantly focused within university campus settings, though it is also now being utilized in communities including Fort Wayne (IN), Albuquerque (NM) and Lakeland (FL).

The system was branded as mBike and launched in Summer 2016. According to the City of College Park, with exception to some minor adjustments to the maintenance/rebalancing, the system has operated smoothly and is well utilized with 260 memberships, 1,000 daily memberships and a total of 16,500 trips. The City of College Park has approved the "piggy-back" agreement for municipal partners to expand the system. Unlike CaBi, the Zagster system is purchased and an owned asset. The life-cycle of the bikes is 36-months and are replaced at the end of the 36-month schedule. The City of College Park and University of Maryland (UMD) have an agreement whereby should the City of College Park not renew its agreement with Zagster, the system would be donated to, and operated by, UMD.

Factors for Consideration

Capital Bikeshare (CaBi)

- Prince George's County DPW&T is including in its FY2018 Capital Budget requests funds to complete Phase I & IA of the Capital Bikeshare system in Spring 2018, with station locations being selected as soon as Summer 2017.
- CaBi annual operating and maintenance (O&M) costs will vary depending on station size so for preliminary budgeting purposes, we will use a 15-dock station (an average between 11 dock and 19 dock). Annual O&M costs for a 15-dock station = \$17,310.60.
- The study proposes 8-stations in Hyattsville, resulting in stations being located approximately ½ mile of each other.
- Annual O&M CaBi stations in Hyattsville are estimated to cost approximately \$138,484.80. The financial model is likely to require some municipal partnering financing at covering a percentage of the annual O&M. I anticipate the Municipal O&M contribution to be between 15% - 20% of local operating costs, which for the City of Hyattsville would be approximately \$27,696.80.
- Should the Budget Priority be adopted by the City Council, the Director is recommending funding through the FY2018 Operating Budget, with consideration to fund from the Special Revenue – Parking Fund. Department of Community & Economic Development staff will be assigned as the municipal project lead to coordinate implementation with County DPW&T for FY2018.

mBike (Zagster)

- The total cost for the system is \$167,202 for a turn-key system, based on a term of 24-months with four stations & 40-bikes.
- The City of College Park has verbally committed to providing the City of Hyattsville with \$92,000; the balance of the costs for the 24-month term is \$75,202 in capital costs.
- At the conclusion of the 24-month term, the City of Hyattsville would have the opportunity to either extended with Zagster (the bike system operator) for an additional

36-month term at an estimated cost of \$207,000 or eliminate the program and transfer the vehicles, liability and maintenance to the University of Maryland.

- Should the Budget Priority be adopted by the City Council, the Director is recommending funding through the FY2018 – FY2022 Capital Improvement Plan.
- Department of Community & Economic Development staff will be assigned as the project lead to coordinate implementation for FY2018.

Recommendation

The Department of Community & Economic Development has the staffing capacity to support the planning and implementation of both Capital Bikeshare (CaBi) and mBike systems during FY2018. If the City Council chooses to move forward with participating in mBike as an additional supplement or gap approach to the County funded Capital Bikeshare system, it will be necessary to assess the utilization and feasibility of funding a two-system Bikesharing network as the 24-month mBike system concludes and decisions are made by the University of Maryland and the City of College Park as to whether they will retain or abandon the mBike system.