



STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Carlos Hernandez, Director of Public Works for Transportation
Bill Cowern, Principal Traffic Engineer
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DATE: January 28, 2020

SUBJECT: Cover Memo (Supplemental Information Regarding Boulder Bike Share/B-Cycle)

The purpose of this cover memo is to provide supplemental information regarding Boulder Bike Share/B-Cycle in response to questions posed by council members during the January 21, 2020 CAC meeting.

Q: *What are B-Cycle’s ridership trends?*

A: Boulder B-Cycle is comprised of a fleet of 300 human-powered bikes and 45 stations. Since 2017, B-Cycles has generated more than 100,000 rides annually to approximately 15,000 individual users. The following bullet points provide an explanation of Boulder B-Cycle’s trends which are attached to this memo:

- **Heatmap:** Attached A is a heatmap made from CU Boulder-affiliated customers (@colorado.edu email addresses) who used the Boulder B-Cycle app for checkout and shared their GPS data. These maps capture about 5,000 trips total and illustrates the routes and GPS point concentrations around stations.
- **Lists/charts of most active stations:** Boulder B-Cycle has created an anonymous system use data which can be accessed [here](#). Attachment B is a screenshot of 2019’s checkouts and returns by station.
- **Rides by zip code + Survey Results:** It’s not possible for Boulder B-Cycle to conclusively sort riders into categories based on zip since it is unknown whether the zip code entered is referring to residence, worksite, or school. However, approximately 60k of 2019’s 106k total trips were by riders who entered zip codes 80301-80306. As for the CU Boulder-affiliated customers, the total number of trips was approximately 45k in 2019. Key survey results:

- Nearly half of the 250+ 2019 Boulder B-Cycle survey respondents say that they use bike sharing to connect with public transit.
- Survey respondents also indicated that ~35% of Boulder B-cycle trips replace personal or shared motor vehicle trips.
- **Rides by month:** Attachment C is a chart that shows system use by month in each of Boulder B-cycle's 100k+ trip years to date. This illustrates how 2019 trips were down compared to 2018 in some months but up in others, especially the last four months of the 2019.

Q: How is Boulder B-Cycle funded/subsidized by the City of Boulder?

A: Boulder B-Cycle's operations and maintenance is currently funded through a combination of sources including sponsorship agreements (primary), revenue from four different pass options, and an annual subsidy provided by the city of Boulder. Since 2014, the city of Boulder has subsidized Boulder B-Cycle with \$65,000 annually. This subsidy is provided by the Transportation Division (\$50,000) and by Community Vitality (\$15,000) through its master and sponsorship agreements. This subsidy equates to approximately \$0.65 per ride.

In 2019, the city of Boulder contributed an additional \$80,000 due to Boulder B-Cycle's loss of a presenting sponsor (Kaiser-Permanente). Without that contribution, Boulder B-Cycle would have ceased operations in November 2019. The city's combined subsidy in 2019 was \$145,000 which equates to approximately \$1.45 per ride in 2019.

Q: How did B-cycle get in this financial situation?

A: Like many other early bike share programs across the United States, Boulder B-Cycle began in 2011 with a funding model dependent upon annual sponsorships to fund operations and maintenance. Over time, this model has proven to be unsustainable for bikeshare programs across the country, particularly when a presenting sponsor withdrawal its funding. Boulder B-Cycle staff has acquired sponsorship funds for over eight years and has shown flexibility by adjusting its operations to meet budget constraints, but the loss of its presenting sponsor was significant. The reliance of sponsorship funds placed the organization in a vulnerable position to maintain their system, much less, expand or evolve.

Q: What is the long-term plan?

A: This has yet to be determined and will require additional strategic planning in 2020 with respective city departments, public boards and commissions and community stakeholders; however, a long-term vision could be to invest and evolve Boulder Bike Sharing under a new funding model. Staff recommends continuing and increasing the investment in Boulder Bike Sharing/B-Cycle in order to continue the dock-based bike share system and to assist the with the evolution to introduce an electric-assist bike component. Staff believes public funding for bike share is necessary for long-term local success, in addition to support from the private sector. By supporting a locally controlled

bike share program, staff and community partners can shape the evolution and expansion of its bike share system.

In partnership with CU Boulder, staff recommends co-funding Boulder B-Cycle in 2020 and developing a plan to refine and evolve its current system by adding electric-assist bikes to its fleet and to gradually phase out the aging dock-based system. In some cases, this may include replacing existing stations with new stations that allow electric charging capability for areas with higher density in the city. E-bikes can provide greater, city-wide accessibility and possibly, assist with an additional intercity mobility option.

Q: What is the recommended funding this year and will it need future subsidies?

A: Boulder B-Cycle has presented several funding scenarios for this year, two of which city and CU Boulder staff view as viable paths forward. The first option includes maintaining Boulder B-Cycle's current operations (\$185,000 funding level). The second option is to maintain, refine and evolve Boulder B-Cycle's operations (\$275,000 funding level). This option includes the introduction of electric-assist e-bikes. Both options allow Boulder B-Cycle to ween its reliance on sponsorship funds for on-going operations and maintenance. Instead, sponsorship funds may be used to build the organization's reserves, and/or, evolve its current system.

City and CU Boulder staff support option two and believe this investment should be made in 2020 with a strategic plan in place in 3rd quarter 2020 that outlines a three to five-year sustainable funding source and operational plan.

In 2020, the City of Boulder anticipates providing 60% of the \$275,000 funding level to be proportionately shared between city departments and potentially, additional community partners. CU Boulder is prepared to provide 40% of this expenditure in 2020.

Q: What city projects go on hold if we allocate funding this year to Boulder B-Cycle?

A: The city's portion of this investment can be funded internally among city departments in 2020 causing minimal impact to existing projects and programs. In addition to funds previously budgeted for Boulder B-Cycle, staff can reallocate existing transportation planning and transportation demand management resources to cover the remaining expense. Staff will monitor Boulder B-Cycle operations and continue discussions in terms of budgeting for future years.

Q: What is the City of Boulder's investment to date in Boulder B-Cycle?

A: Between 2011-2015, the City of Boulder contributed \$375,000 through direct purchase or as local grant match to acquire capital equipment in the form of bikes and docking stations. Through the local matches, City of Boulder leveraged an additional \$773,000 through state and federal grant programs to purchase additional capital equipment between 2011-2013. Since 2011, the City of Boulder has contributed \$546,500 toward B-Cycle's operations and maintenance expenditures.

Boulder B-Cycle Expenditures (2011-2019)	City Contribution	Federal Contribution
Capital (bikes and stations)	\$375,000	\$773,000
Operations and Maintenance	\$546,000	\$0
Total	\$921,000	\$773,000

Q: *What is our exit strategy if there is no additional funding this year?*

A: Without supplemental funding, Boulder Bike Share could cease operations as early as March 2020. Boulder B-Cycle is prepared to use its reserve funds to close down the system from an organizational standpoint; however, the City of Boulder, who owns the system's infrastructure will be responsible for storing or liquidating its assets (300 B-Cycle bikes and 45 docking stations).

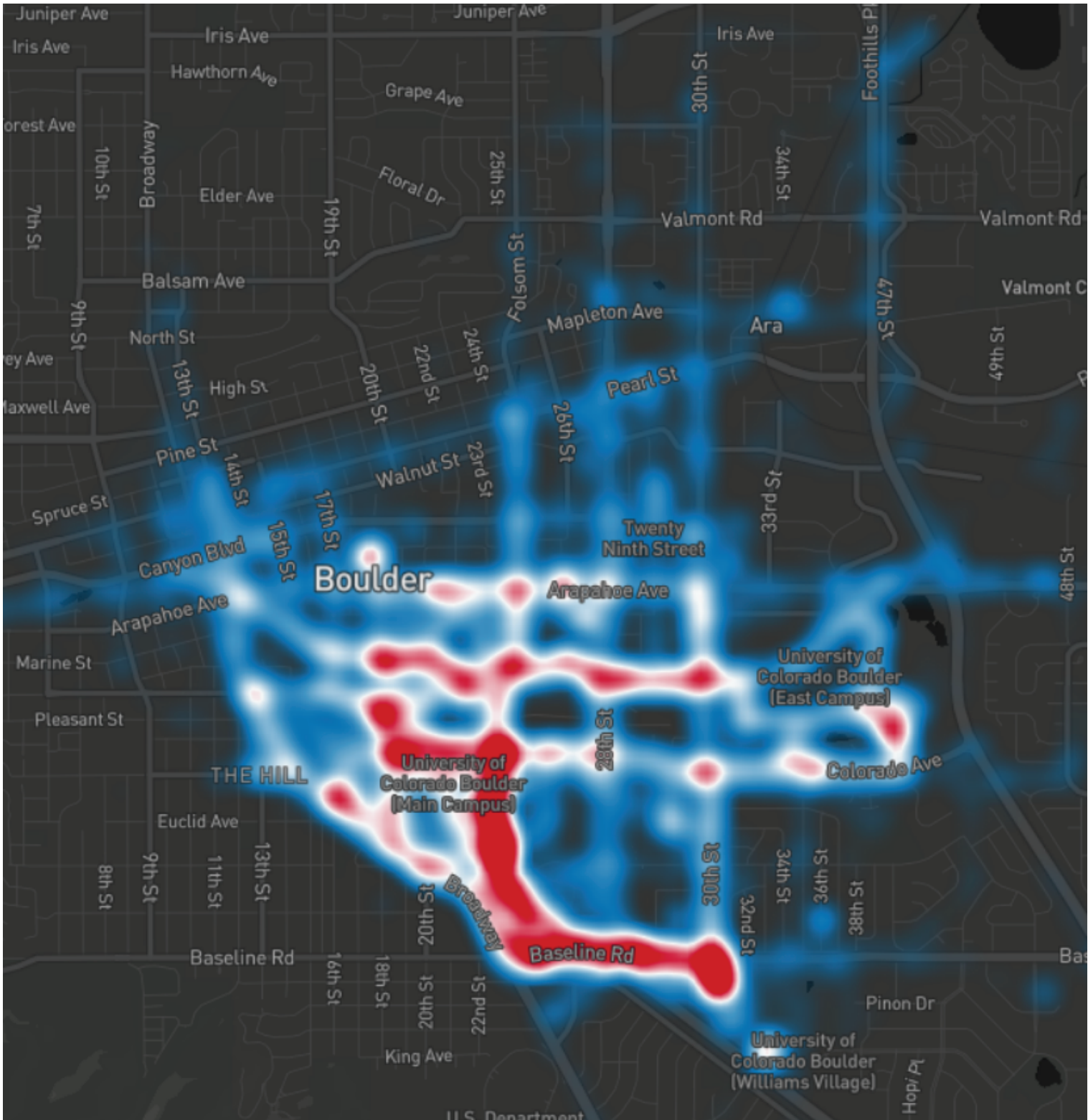
ATTACHMENTS

A: Boulder B-Cycle Heatmap

B: 2019 Check-out and Returns by Station

C: System Use by Month

Attachment A



Attachment B

Entry Pass Type

(Multiple values)

Rider Home System

(All)

Checkout Date

1/1/2019

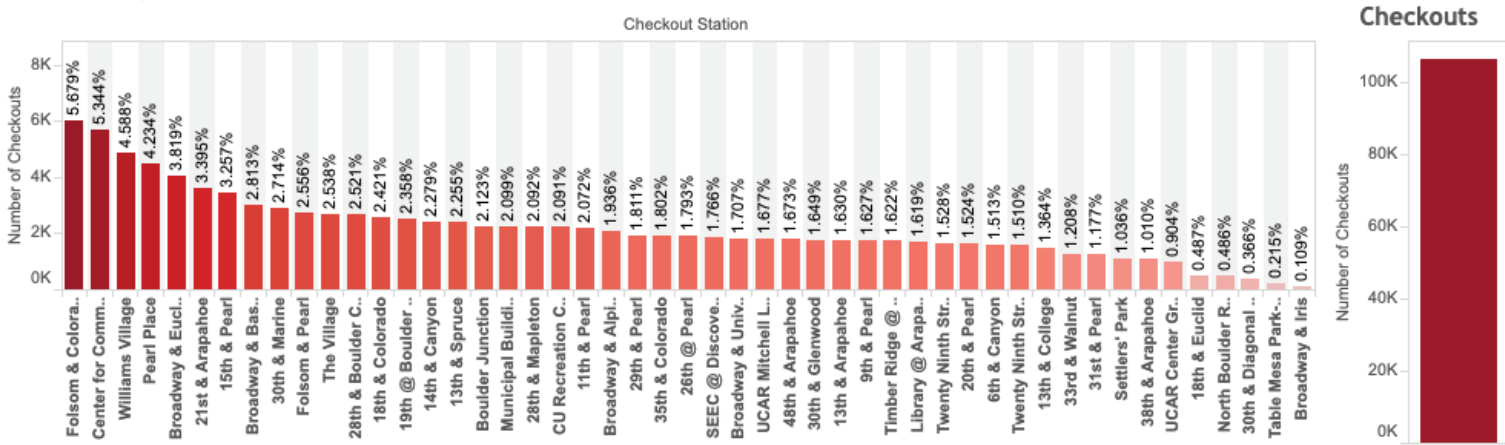
Trip Duration (Minutes)

12/31/2019

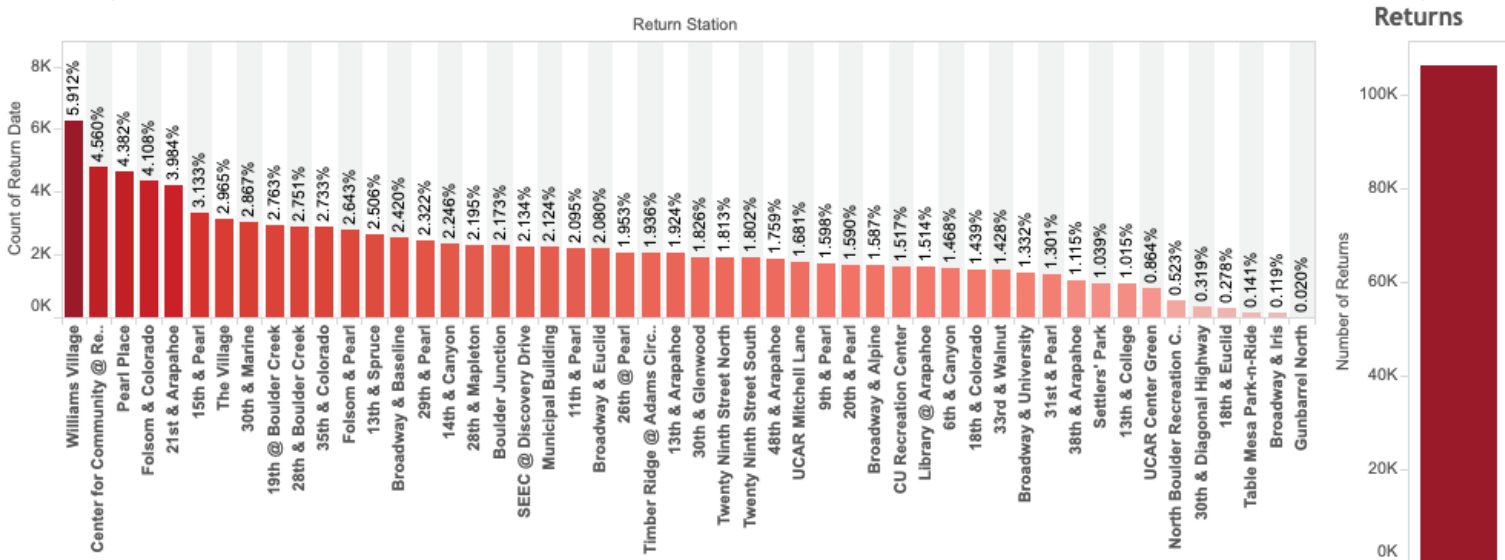
2

5000

Checkouts by Station



Returns by Station



Attachment C

Year

Multiple selections

Month

All

Membership Type

All

Checkout Method

All

321K

Rider Trips

Rider Trips by Month and Year

