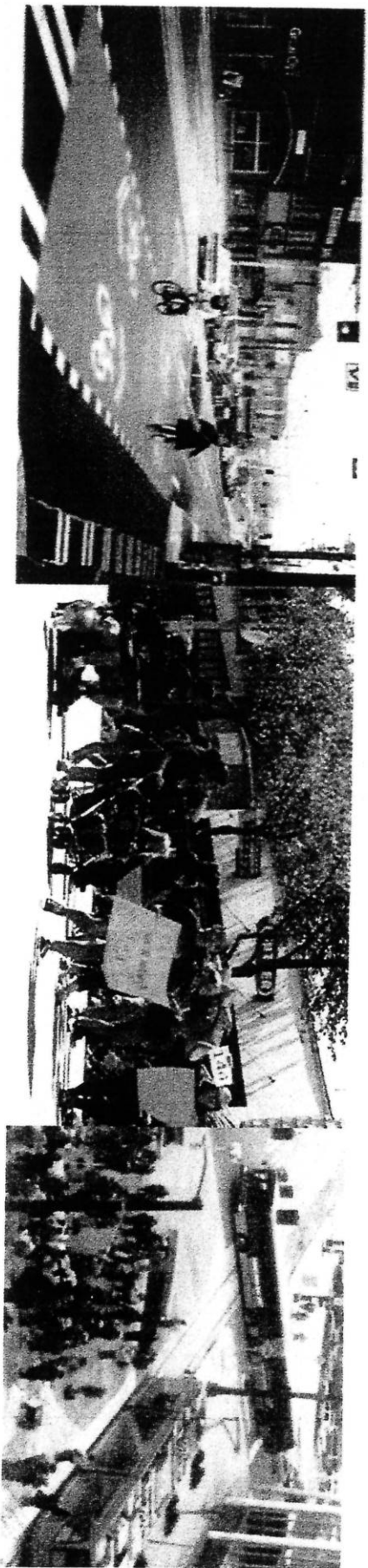


APPENDIX M

BIKE SHARE IN SEATTLE

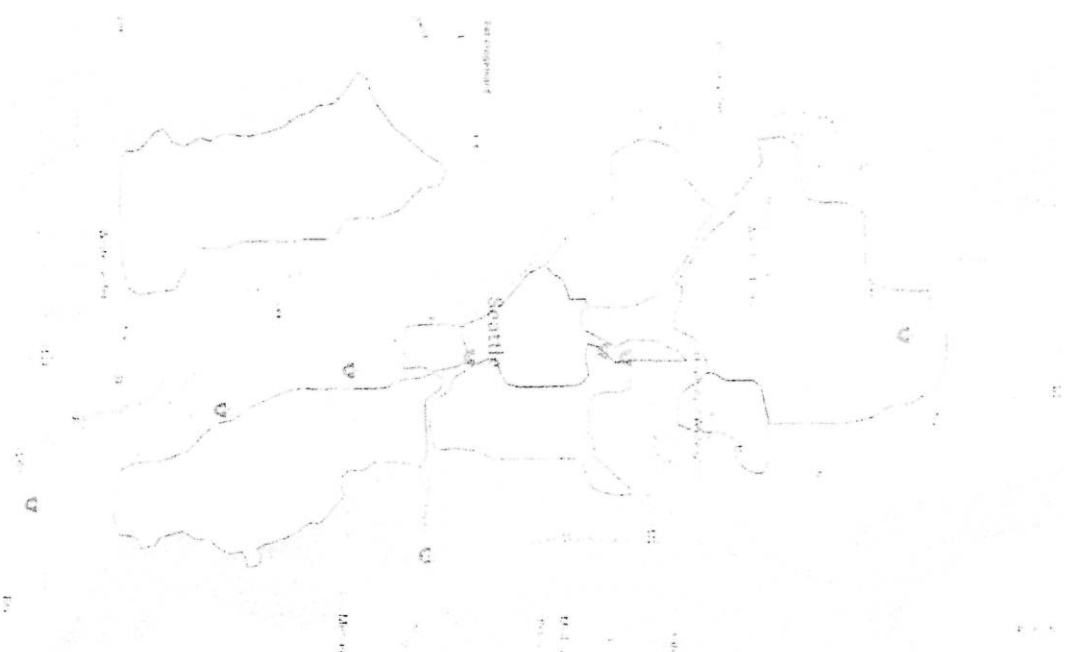
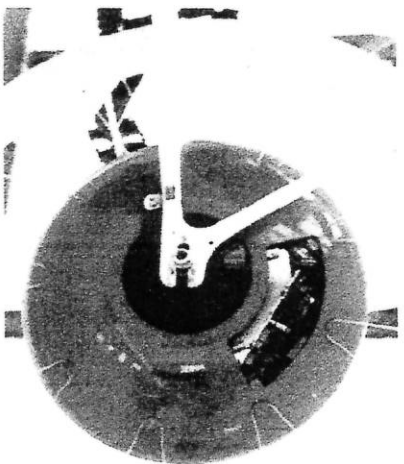
Current State and Recommendations



Mayor's Briefing
Scott Kubly, SDOT Director
March 30, 2015

Making Bikeshare Work In Seattle

- Flatten the City with Electric Drive
- Integrate with ORCA
- Expand to cover much larger service area



Vision for the future

- 300 stations; 3,000 bikes *better connection=more use*
 - Electric assist bikes *accessible to more ages and abilities*
 - ORCA card integration *faster and easier for members*
 - Strategically placed stations to *leverage tourist AND TRANSIT use*
-

Background

- Non-Profit Formed 2012
 - 2012 hired Executive Director
 - March 2014 Contract Signed
 - ALASKA SPONSORSHIP SECURED
 - October 2014, Launched 50 stations/500 bikes
 - November 2014 Budget funded expansion of 12 – 15 stations
 - 2015 changed by-laws to remove institutional seats from the board
- Board of Directors
- Active
 - King County Metro
 - Seattle Department of Transportation
 - Inactive
 - REI
 - PSRC
 - Cities of Kirkland and Redmond
 - Cascade Bicycle
 - PATH (new)
 - Visit Seattle (new)
 - Removed
 - Sound Transit
 - Children's Hospital
-

Current State

Low ridership. This is likely due to:

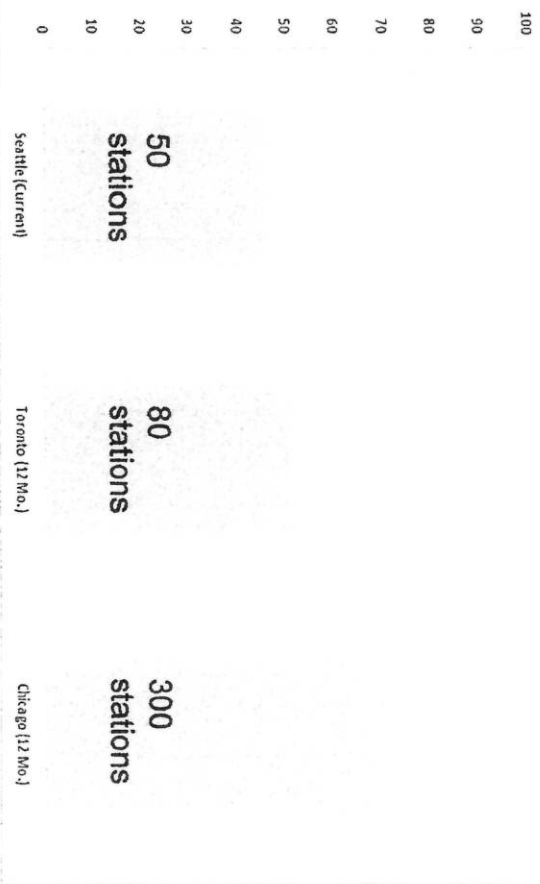
- Small number of stations
- Low density of stations in service area
- Stations not located in high-tourist locations

Weak station sponsorship sales

- 22/50 sponsored
- Sign code impacts this; equipment and sign code lower dollar value

Successful Bikeshare Systems Operate at Large Scale

Members/Station - Annual

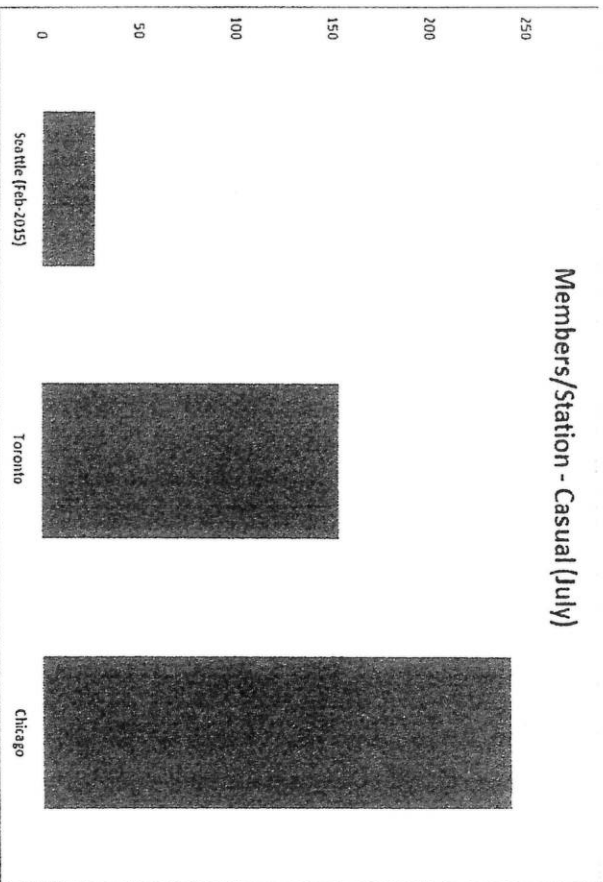


Annual Memberships Indicate Transit Utility

TORONTO & CHICAGO: 12 months after launch

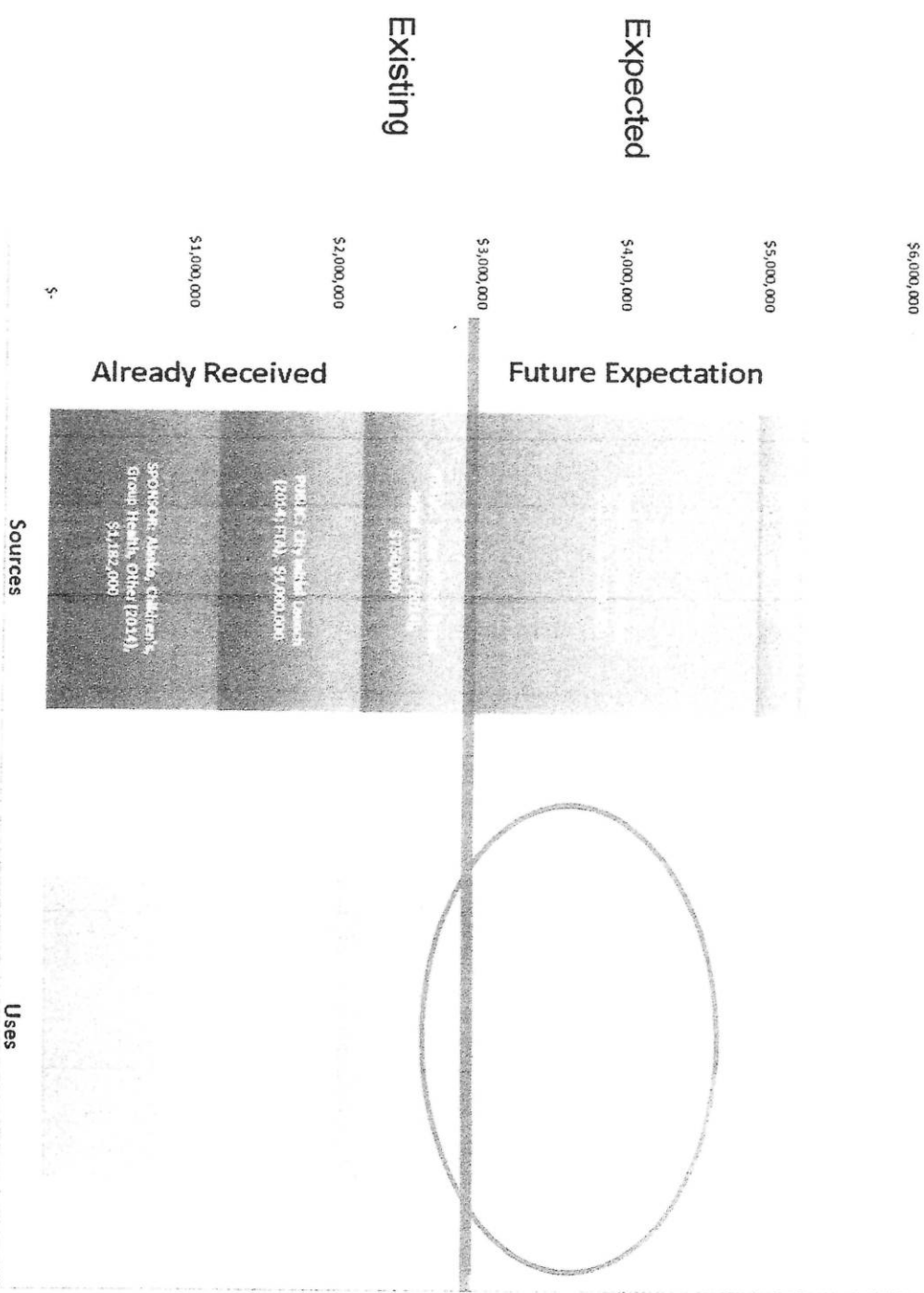
Casual Memberships Drive Economic Viability

Members/Station - Casual (July)



Funding

Sources & Uses - Initial 50 Station Launch



Sources

Uses

Revenues Don't Cover Operating Costs

ITEM	ANNUAL
Motivate fee \$125/dock * 875 docks	\$1.3M
(Higher than peer cities; DC \$109-\$120/dock)	
Non-profit salaries and other expenses	\$0.24M
TOTAL Operating Expenses	\$1.54M
Currently annual shortfall	\$520K

at current 50 stations

12-Month Operating Cash Flow Projection

	\$1,600,000	
	\$1,400,000	
	\$1,200,000	
	\$1,000,000	
	\$800,000	
	\$600,000	
	\$400,000	
	\$200,000	
	\$-	
Admin, External Services, Fees		
Maintenance Costs		
Other Revenues	\$113,245	
Overage Revenues	\$260,395	
Casual Memberships	\$303,735	
* Annual Memberships	\$338,367	
		Expenses
		\$223,700
		\$1,312,500

Issues with 2015 Expansion

- PRONTO worried about increased operating deficit; Took several steps to reduce expansion:
 - January: Asked to warehouse stations if operating funds not found
 - February: Asked to reduce number of stations
 - March: To date SDOT has not received full accounting of PRONTO's cash position
 - Based on independent analysis, SDOT concerned about non-profit's solvency
-

Issues for Longer Term

- Alaska has not yet pursued option to expand
 - Without large cash inflow, PRONTO runs out of cash Q4 2015 or earlier
 - Difficulty managing PRONTO's FTA grant; could affect city's ability to compete for other larger projects i.e. Center City Connector
-

How we get there

- *Simplify Governance* – Make bike share a city program
 - Ensures more City control
 - Reduces overhead costs
 - Reduces FTA grant management risk
 - *Reduce Costs* – Renegotiate contract
 - Share revenue risk with vendor
 - *Fund Expansion/Ensure Financial Sustainability* – Change funding and operations strategy
 - TIGER grant
 - Station placement and service area
-

Sponsorship

New York – Citibank

\$16K per Station/Year

London – Santander

\$14K per Station/Year

Philadelphia – Independence Blue Cross

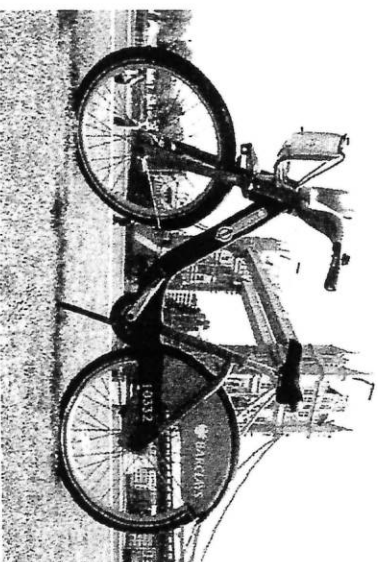
\$8.5K per Station/Year

Chicago – Blue Cross/Blue Shield

\$8K per Station/Year

Seattle – Alaska Airlines

\$10K per Station/Year



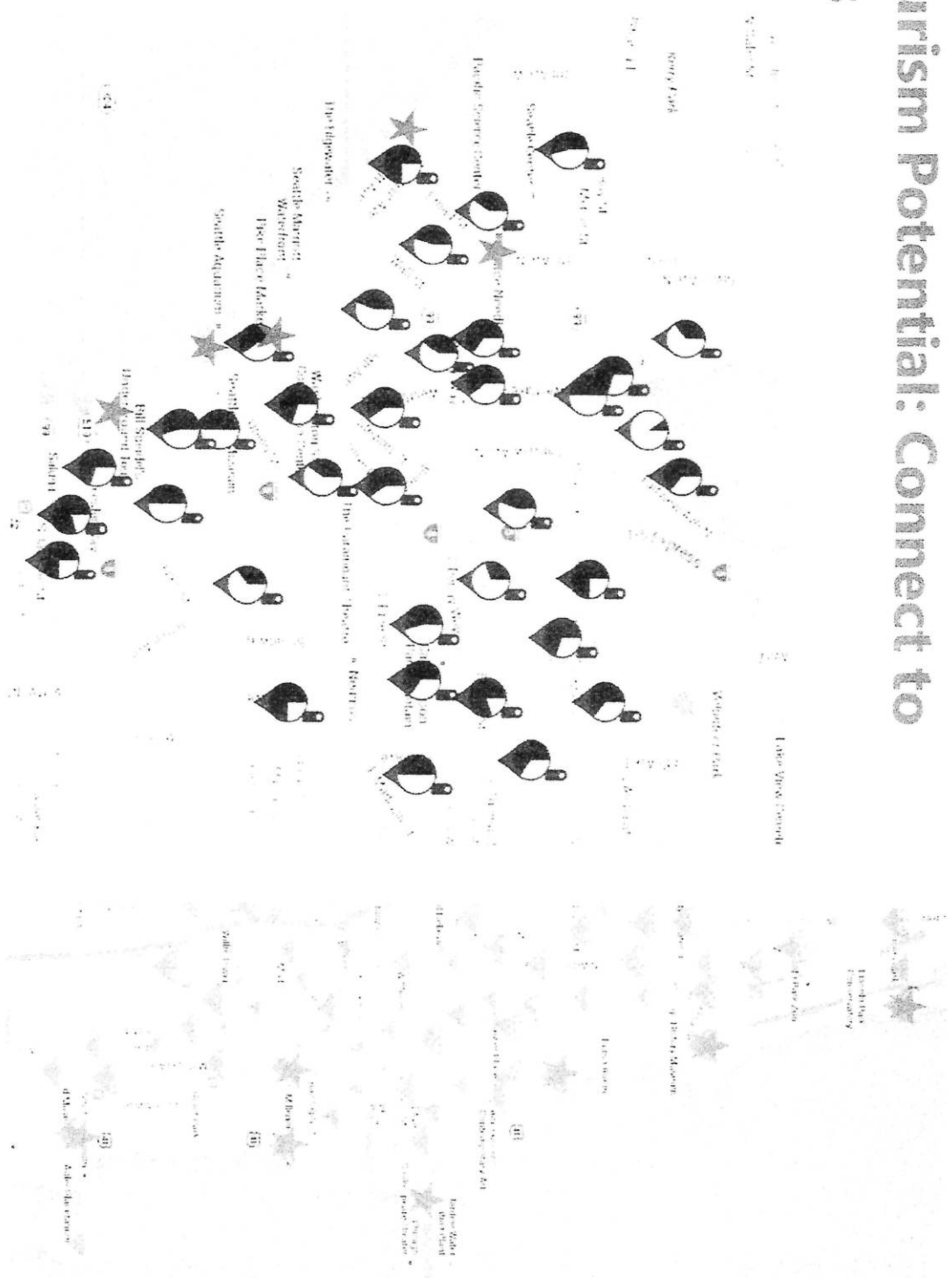
Increasing Sponsorship Value

- Title sponsor generating great value but station sponsors are underperforming
- Size of station sponsor logo may be limiting revenue generated by station sponsorships



Realize Tourism Potential: Connect to Attractions

- Pro actions: into missing key
- attr: Pike Place Market
- EMP Waterfront
- Colman Dock



300 Station Financial Outlook

2017 IEND CASH BALANCE - OPS		MEMBERS/STATION														
		48	52	57	62	67	71	76	81	86	90	95				
	\$	(2,467,076)	\$ (1,553,781)	\$ (640,486)	\$ 272,809	\$ 1,186,104	\$ 2,099,399	\$ 3,012,694	\$ 3,925,989	\$ 4,839,284	\$ 5,752,580	\$ 6,665,875				
	\$	(3,030,284)	\$ (2,116,989)	\$ (1,203,694)	\$ (290,399)	\$ 622,896	\$ 1,536,191	\$ 2,449,486	\$ 3,362,781	\$ 4,276,076	\$ 5,189,371	\$ 6,102,666				
COS' F/DOCK	\$	(3,593,492)	\$ (2,680,197)	\$ (1,766,902)	\$ (853,607)	\$ 59,688	\$ 972,983	\$ 1,886,278	\$ 2,799,573	\$ 3,712,868	\$ 4,626,163	\$ 5,539,458				
	\$	(4,156,701)	\$ (3,243,406)	\$ (2,330,111)	\$ (1,416,816)	\$ (503,521)	\$ 409,774	\$ 1,323,069	\$ 2,236,364	\$ 3,149,659	\$ 4,062,955	\$ 4,976,250				
	\$	(4,719,909)	\$ (3,806,614)	\$ (2,893,319)	\$ (1,980,024)	\$ (1,066,729)	\$ (153,434)	\$ 759,861	\$ 1,673,156	\$ 2,586,451	\$ 3,499,746	\$ 4,413,041				

Chicago: 95 Members/Station (December 2014)
 Boston: 71 Members/Station (December 2014)
 Seattle: 46 Members/Station

TIGER 2015

- Northgate non-motorized improvements + 250 stations with e-bikes
- Ladders of opportunity
 - First/last mile access to transit and education
 - Permanent jobs and job training program

Pros

- Flexible/scalable (state package/levy)
- Rolls out in 2016
- One of the first North American bike share systems with e-bikes

	Private	City	State	Federal	TOTAL
Northgate Nonmotorized Investments		\$10M	\$5M	\$15M	\$30M
Bikeshare	\$3M	\$5M		\$10M	\$18M
TOTAL	\$3M	\$15M	\$5M	\$25M	\$48M*

* Non-federal match = 48%



Why we will be successful

City in better position to make bike share succeed:

- Mayor most successful fundraiser – direct city control strengthens ask
 - Scott is national expert on bike share – best able to renegotiate costs
 - Hired Boston bike czar – launched and expanded Hubway
 - More competitive for grant funding + easier coordination
-

Questions?

<http://www.seattle.gov/transportation>

