Contents

Executive Summary .......................................................... 3
Introduction ........................................................................... 4

Bike Share Implementation Plan and Business Model ........................................... 4
Revised Business Model and Plan ....................................................................... 4
Current Policy ........................................................................ 5

Regional Bike Share Vision ............................................................................. 5
Metro Bike Share a form of Transportation ......................................................... 5

Current Status .............................................................................. 6

Operating Locations ............................................................................ 6
Performance Data ............................................................................... 6

Performance Measures ............................................................................ 8
Planning Framework .............................................................................. 8
Evaluation Framework ............................................................................. 9

System Area Performance Metrics ................................................................ 10
Station Performance Metrics ...................................................................... 10
Interventions ....................................................................................... 11

S.W.O.T. Analysis ............................................................................. 12
Equity ............................................................................................... 13

Equity and TAP Integration ...................................................................... 14

Technology ....................................................................................... 14

Fleet Mix .......................................................................................... 14
Operator ............................................................................................ 14
TAP Integration .................................................................................. 15

New Fare Structure ............................................................................. 16

1-Ride .............................................................................................. 16
Transfers ............................................................................................ 16
1-Day Pass ......................................................................................... 16
30-Day Pass ...................................................................................... 17
Annual Pass ...................................................................................... 17
Reduced Fare ..................................................................................... 17

Proposed Fare Structure ........................................................................ 17
More Options .............................................................................................................. 18

Smart Bike Convenience Fee ....................................................................................... 18

Other Revenue Sources ............................................................................................... 18

Sponsorships .............................................................................................................. 19

Title Sponsorship ....................................................................................................... 19

Station Ad Panel .......................................................................................................... 19

Non-Title Sponsorships .............................................................................................. 19

Social Media Assets .................................................................................................... 19

Marketing .................................................................................................................... 20

Cost Analysis and Reduction ..................................................................................... 20

Bicycle Transit Systems Contract ................................................................................ 20

Conclusion ................................................................................................................... 21
Executive Summary

The aim of the Metro Bike Share Business Plan is to develop an affordable, user-friendly bike share program that increases ridership by integrating with the County’s regional transit services. The Regional Bike Share Program envisions a system that is accessible and equitable to Los Angeles County residents, students, workers and visitors, integrates with existing Metro services to provide a seamless passenger experience, and improves the reliability, efficiency and usefulness of Metro’s transportation system. Phase I launched on July 7, 2016 in Downtown Los Angeles with approximately 61 stations and 700 bicycles. Phase II soon followed with Pasadena, Port of Los Angeles and Venice bringing the system to approximately 120 stations and 1,400 bicycles.

The Metro Bike Share Business Plan expands and revises adopted policies. This plan introduces the following new concepts: recommended system performance measures, new bike share technologies, strategic marketing framework and equity approaches. Additionally, the plan re-evaluates Metro Bike Share’s existing fare structure based on input from our users, partners, data analysis and review of industry standards. A primary goal is that Metro Bike Share fares mirror that of transit.

TAP Integration through Metro Bike Share is the vanguard for all other Metro services. Step 1 and 2 were completed prior to the launch of Bike Share. Step 3 is currently under development through a step process. Phase 3A will be completed by fall 2018.

The Bike Share industry has changed significantly in the past year with the introduction of dockless systems and other devices that compete with the bike share industry. As a result of these advancements, Metro staff has prepared this Business Plan to address the current competitive environment. The goal of the plan is to outline strategies that will help increase ridership, make the program sustainable, accessible and affordable.
**Introduction**

In October 2013 the Metro Board approved bicycle use as a formal transportation mode. Subsequently, on January 16, 2014, a Board motion established Metro as the lead agency to implement a Countywide Bike Share System. The overarching goals of the initiative are to build a robust system that offers transportation options for short trips, first-last mile solutions and an inter-operable, seamless user experience through Transit Access Pass (TAP) integration. Through the board approval process, Metro established its financial commitment to providing cities that opt into the regional Bike Share system 50% of capital and up to 35% of operating and maintenance costs. In addition, cities and Metro have both committed to provide staff time to implement and manage ongoing marketing efforts, operations and maintenance of the system.

**Bike Share Implementation Plan and Business Model**

The January 2014 motion also initiated a Regional Bike Share Implementation Plan. The Implementation Plan addressed integral principles of establishing a Countywide Bike Share Program. The major components of the plan consisted of a business model, identifying key differences in bike share hardware and technology, the number of locations for stations and bikes, TAP integration, revenue split among participating jurisdictions and identifying communities that are bike share ready for a phasing process. The Business Model reaffirmed Metro’s Planning and Programming Committee’s decision for Metro to own and manage the system’s equipment and for Metro to manage a master operations contract with a single vendor to provide operations and maintenance. The Implementation Plan was adopted on June 17, 2015; on this date the Board also awarded a contract to Bicycle Transit Systems (BTS) as the bike share equipment supplier and operator of the system.

The Regional Bike Share Implementation Plan also describes the process and results of the Bike Share readiness analysis, including the Bike Share Suitability Index. The Bike Share Suitability Index combines five broad factors associated with bike share ridership in other major U.S. systems: housing density, population density, employment density, intersection density, transit frequency and bicycle infrastructure. Based on these criteria, the Bike Share Suitability Index provides ridership level projections, operating characteristics and estimated costs that assist in determining if a community is bike share ready. This process has been used for all phases of expansion.

**Revised Business Model and Plan**

Building from the Bike Share Implementation Plan, revisions are needed to adapt to new emerging bike share technologies and the constant changing environment of shared mobility. For example, several privately owned bike share companies operating dockless systems have established their market share, so Metro Bike Share needs to reevaluate its business plan to identify its market and target audience.

Since the adoption of the plan, a significant amount of progress has been made through expansion of the program and TAP integration. Most of the provisions identified in the Regional Bike Share Implementation Plan were completed. This business plan also redefines system performance measures, revised fare structure, comprehensive marketing framework and cost analysis.
**Current Policy**

*Capital Ownership* - Metro owns and manages the system’s equipment, including but not limited to bikes, stations and kiosk terminals. Metro contributes up to 50 percent of the capital cost of equipment, while local partners contribute the remaining share of capital costs.

*Operations Model* - Metro manages the master operations contract with a single vendor to provide operations and maintenance for the entire regional system. As the manager of operations and maintenance, Metro may later elect to conduct a subset of operations and maintenance activities using Metro staff or other contractors to take advantage of economies of scale.

The goal is to have all parts of the regional system participate in the operation of a single system. Although the Cities of Santa Monica, West Hollywood, Beverly Hills and Long Beach contracted independent bike share operators, Metro will continue to coordinate with those jurisdictions and leave open the possibility that they will be integrated into the regional program in the future.

*Fare structure* - The Bike Share Implementation Plan established the current pricing options. Regular walk-up fares are $3.50 for every 30 minutes. There are two (2) types of passes: 1) The Monthly Pass and 2) The Flex Pass. The Monthly Pass costs $20 a month ($12 for Bike Share for Business members) and offers unlimited 30 minute rides. After the first 30 minutes rides cost $1.75 for each additional 30 minutes. The Flex Pass costs $40 for a year, with rides costing $1.75 for every 30 minutes. Metro has experimented with other fare structures, such as a $7 Day Pass offering unlimited 30-minute rides for 24 hours.

*Title Sponsorship* - Metro’s objective is to retain a title sponsor that would have naming rights, sub-naming rights, advertisement signage, on-bike title sponsorship and other revenue generating opportunities. Metro has reserved the rights to sell to sponsor(s) as a source of Metro's funding commitment. Title sponsorship revenue would first be applied towards Metro's financial commitment. Remaining sponsorship revenues would then be applied towards each city's O&M cost. Any surplus sponsorship revenues would then be expended for the bikes share program under the terms of the memorandum of understanding (MOU). Cities would retain the right to sell advertising sponsorships on bike share station ad panels to meet the local share of capital and operating expenses.

**Regional Bike Share Vision**

The leading principal of Metro’s regional bike share vision is to provide new and existing transit users with an accessible, reliable and efficient mobility option as an integrated part of Los Angeles County’s world class transportation system.

**Metro Bike Share a form of Transportation**

An important distinction that Metro has established for the program is to integrate bike share into Metro’s public transportation system, giving people a new way to make short point-to-point trips, as well as a new first-last mile solution for getting to and from Metro bus and rail. This distinction is
possible because of a cultural shift in viewing bike share as a mode of travel, which requires a new pricing structure and system orientation geared toward transportation use rather than recreation.

A key policy adopted by the Metro Board is the integration of Metro Bike Share with TAP so that users are able to transfer from bike to rail or bus.

**Current Status**

**Operating Locations**

Metro Bike Share launched in Downtown Los Angeles on July 7, 2016 with 61 stations and approximately 700 bicycles. Pasadena, Port of Los Angeles and Venice launched in 2017, bringing the system to 122 stations and 1,400 bicycles.

**Performance Data**

As of April 2018:

| Total Trips | 407,349 |
| Passes Sold | 13,522 |
| Calories Burned | 29,858,018 |
| Miles Traveled | 1,185,389 |
| Emissions Reduced | 1,126,119 |

**DTLA First Operating Year - July 2016-June 2017**

<table>
<thead>
<tr>
<th>DTLA Total Rides - FY 2017</th>
<th>Quick Facts DTLA FY 2017:</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/17 YTD Business Trips</td>
<td>Number of Pass Holders at the End of FY17</td>
</tr>
<tr>
<td>16/17 YTD Walkup Trips</td>
<td>Monthly Pass: 1,231</td>
</tr>
<tr>
<td>16/17 YTD Flex Pass Trips</td>
<td>Flex Pass: 1,248</td>
</tr>
<tr>
<td>16/17 YTD Monthly Pass Trips</td>
<td>B4B: 172</td>
</tr>
<tr>
<td>16/17 YTD Total Trips</td>
<td>Peak Month: May 2017 Bike Month-3,809</td>
</tr>
<tr>
<td>0</td>
<td>Average: 2,019</td>
</tr>
<tr>
<td>50,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>
DTLA - Average Rides Per Bike Per Day FY 2017

Quick Facts DTLA FY 2017:

- Distance: 457,758 miles
- Estimated Calories Burned: 12,862,904
- Estimated Carbon Offset: 434,870 lbs. CO2

DTLA, Pasadena, Port of Los Angeles and Venice – July 2017-

Phase 2 - FY 2018 (July-March) Trips

FY 2018 Rides per Bike per Day
Performance Measures
To ensure resources are being deployed effectively toward the program vision, performance metrics have been established to indicate where Metro Bike Share service areas will be located and, once implemented, when and what type of adjustments should be made to the system. Ridership is a critical measure and will be used both on a service area and station-specific basis. Providing equitable access and encouraging communities to support investments and improvements in bicycling infrastructure and multi-modal transportation programs are also important to the program.

An overview is provided below and Appendix A provides the detailed assessment process.

Planning Framework
Identifying ideal locations to implement bike share is the first step to building a sustainable system. The data-driven planning process is outlined below:

a) An annual call for interest to join the Metro Bike Share program,
b) A community preparedness survey that is used to assess a community’s readiness for a bike share program and identify areas where the community needs improvement,
c) An initial assessment of which communities meet the key eligibility criteria,
d) Technical assistance provided by Metro to interested and eligible communities to identify an appropriate system size and layout for that community,
e) A methodology for prioritizing the implementation of bike share in interested and eligible communities.

The Metro Bike Share participation process begins with an expression of interest in joining the program. The community preparedness survey is a tool for both Metro and the partnering agency to assess a community’s readiness for bike share with three key eligibility criteria:

1. **Interest** from staff that bike share would be an effective tool in their transportation goals expressed in a bike plan or demonstrated with bicycle infrastructure or an annual budget for active transportation and: from political leaders that have expressed interest in exploring a bike share program and; from the community based on activity on the countywide bike share crowdsourcing map.
2. **Funding** plan identified for 50% of capital costs and 65% of operations and maintenance costs.
3. **Capacity** for staff to take an active role in the implementation and ongoing support of a bike share program.

Technical assistance is provided by Metro to the service area to define the scope of the program and a draft a preliminary layout. The following planning tools are utilized:

- **Bike Share Suitability Map** – a suitability index that uses metrics such as population, zero-car households, jobs, intersection density, peak hour transit frequency, and daily transit ridership is utilized to identify areas most conducive to bike share. The bike share suitability map also includes low stress bikeways such as bike lanes, protected/buffered bike lanes, cycle tracks, and
bike paths as an overlay to understand existing and proposed bikeway infrastructure and how they relate to the higher bike share suitability areas.

- **Ridership Model** – planning-level ridership estimates are developed for preliminary placement of stations to optimize the recommended service area layout. The bike share ridership model accounts for population, jobs, food service jobs, access to rail, and proximity to other bike share stations. Estimates are based on bike share systems in Chicago, New York, Minneapolis/St. Paul, and the Bay Area and area characteristics are matched to develop the ridership estimates in Los Angeles.

Prioritization is based on outcomes of the technical analysis, equity, and the jurisdiction’s commitment to sustainable transportation. Below are the key prioritization criteria:

- **Potential Ridership** – a rating based on the technical analysis that considers proximity to existing service areas.
- **Equity** – an equity index to rate a prospective area’s density of poverty, diverse populations, and low income jobs gives additional consideration to jurisdictions with a defined program targeting outreach to low income and minority populations.
- **Bicycling Infrastructure** – Assessment considering the proximity of high quality bike facilities to the anticipated bike share stations.
- **Longevity** – number of years the jurisdiction has been identified as an interested partner for Metro Bike Share.

This framework is designed to identify those communities that are committed and ready to implement bike share and demonstrate a solid platform for implementation.

**Evaluation Framework**

The evaluation framework, used once a system is up-and-running, affords Metro and its partners with regular check-in points to monitor system performance at the service area and station levels and offers interventions as necessary to maximize the program’s effectiveness. Evaluations are generally made every 6 months (with an exception to the first check-in at 6-8 months), and action items vary in level of intervention as time in service lengthens.
Below is an overview of the evaluation process.

A summary of the evaluation metrics are provided in this section. A complete checklist and intervention strategy is provided in Appendix B. At each check-in, both system area performance metrics and station performance metrics are evaluated.

**System Area Performance Metrics**
The overall system area is reviewed on several measures for a global view of performance. Metrics include:

- **Ridership** – average rides/bike/day
- **Operations** – The cost to operate the program meets typical transit metrics; fare box recovery and average operating cost per trip
- **Equity** – member demographics: % of diverse populations, % eligible for Metro’s LIFE program
- **Support of Bicycling** – bike facility or development that could promote bike share to be implemented in the near term (<1 year)

**Station Performance Metrics**
Individual stations are reviewed to improve overall system area performance. While the primary metric used to evaluate station performance is ridership, supportive metrics and qualitative measures also provide a comprehensive assessment and offers insights to improving performance. These metrics include:

- **Ridership** – average rides/bike/day; a separate assessment is made for interior and edge stations
- **Distance to the nearest station** – the National Association of City Transportation Officials (NACTO) best practices identifies a five minute walk as an optimal distance for bike share users; this is a check for redundancy or scarcity
- **Maintenance issues** – water ponding, vandalism, or other issues may deter users from the station; a minor shift in location could alleviate the issue
• **Solar issues** – lack of sun could affect solar power of the equipment and cause inaccessibility of the station for users

• **Number of docks and full/empty events** – could indicate difficulty for users if the station is not sized properly for demand

• **Visibility** – this is the key reason for system use. A shift in the station location could improve performance

**Interventions**
Depending on the performance metrics and length of time in service, level of intervention will vary. When a system is newly launched, enough time for users to become aware of the system and learn how it can be incorporated into their regular activities is needed.

As the system matures, the performance metrics continue to be evaluated and the level of intervention becomes much higher based on the assessment, therefore major changes are typically not made to the system until one full year in operation.

Potential interventions include the following:

- Identify underperforming stations and relocate as needed
- Implement new programs to encourage people to use bike share, including programs that reach out and support low-income and minority communities to use the system
- Perform an analysis of the existing system membership zip codes to identify areas of the community that do not have a station nearby and need access to bike share
- Analyze existing stations and gaps in the service area to understand if additional points of interest warrant being added to the system
- Conduct an evaluation on how marketing strategies, including education, events, and outreach, have performed to determine, 1) how they could be modified to be more effective and 2) to help identify new marketing strategies
- Consider termination or expansion of the service area
S.W.O.T. Analysis

S.W.O.T Analysis is integral to any strategic business plan. Metro Bike Share performed an analysis that comprehensively analyzed Strengths, Weakness, Opportunities and Threats facing Metro’s systems.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Thorough Planning Process</td>
<td>• Low Market Share</td>
</tr>
<tr>
<td>• High-quality equipment and maintenance</td>
<td>• High operating costs</td>
</tr>
<tr>
<td>• Connected to transit</td>
<td>• Slow to expand</td>
</tr>
<tr>
<td>• TAP Integration</td>
<td>• Lack of bike culture</td>
</tr>
<tr>
<td>• Environmentally Cleared</td>
<td>• Safety</td>
</tr>
<tr>
<td>• No bicycle litter</td>
<td>• Service areas are spread out</td>
</tr>
<tr>
<td></td>
<td>• Price sensitivity for those new to bike share</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Phases III expansion</td>
<td>• Cheap dockless competitors</td>
</tr>
<tr>
<td>• Implementation of new technology - Smart bikes</td>
<td>• Limited network</td>
</tr>
<tr>
<td>• Promotions to attract new users</td>
<td>• High costs</td>
</tr>
<tr>
<td>• Fare/Pass revisions</td>
<td>• Low fare recovery</td>
</tr>
<tr>
<td>• New marketing strategy</td>
<td>• Lack of revenue sources</td>
</tr>
<tr>
<td>• Contract renegotiation</td>
<td>• Timing</td>
</tr>
<tr>
<td>• Further TAP Integration</td>
<td>• Private Systems are Quick Expand</td>
</tr>
</tbody>
</table>

The majority of the key strengths identified in the S.W.O.T analysis contribute to the vision set forth by the plan to “Provide new and existing transit users with an accessible, reliable and efficient mobility option as an integrated part of Los Angeles County’s world class transportation system.” The thorough planning process allows Metro Bike Share to strategically locate Bike Share stations near transit, therefore making Bike Share an accessible, reliable and efficient mobility option. Leveraging the strengths and opportunities, Metro will continue to analyze communities to determine if they are Bike Share ready. TAP integration sets Metro Bike Share apart from any other system in the Nation. Metro’s Bike Share is the first system in the U.S to use a Transit Media card to access bike share. Further development of this technology will distinguish Metro Bike Share as an innovative system allowing seamless transfers to bus and rail. The current business environment poses new threats for Metro Bike Share with the rapid expansion of dockless systems. Identifying our market share and key target audience is critical to overcome the rapid expansion to dockless. Most of the dockless systems rely on selling data to third parties as part of their business model. Through the development of Metro Bike Share’s privacy policy, staff and county counsel researched and determined that monetizing bike share ridership information and/or any other related data is prohibited per the stipulations in the California Streets and Highways Code Section 31490, and therefore, selling personally identifiable data are excluded from the proposed business plan. These dockless companies without notice can go bankrupt and disappear. Metro Bike Share greatest strength is that the program has been instituted as formal
mode transportation and will remain as reliable and consistent form of transportation. The need to boost TAP integration efforts and expansion near transit corridors continues to be a high priority. Initially the S.W.O.T analysis identified capital cost as a weakness; however with the introduction of DASH- Smart bike system, capital cost was reduced by an estimated 40%. Safety, also identified as weakness in the S.W.O.T. analysis conveyed the same concern by a recent user survey, therefore, Metro staff has been coordinating with our existing partners and interested Cities to advance their bicycle planning and infrastructure implementation efforts to address this issue.

**Equity**

Metro is committed to equity initiatives through all programs and projects. An Equity Platform Framework was developed and approved by the Metro Board in February 2018 that provides guidance for specific analyses and actions in Metro projects and programs.

This equity platform provides the basis for Metro to continue to actively partner with communities in identifying needs, and addressing and overcoming disparities in access to and opportunities related to mobility. As Metro engages in discussion and begins to define a common basis related to equity, Metro Bike Share will support and adopt the agency’s definition of equity and the key actions described in the Long Range Transportation Plan to achieve Metro’s overarching equity goals.

Metro secured a grant through Better Bike Share Partnership which has informed the agency on how to establish forums and methods to engage the community in a meaningful and active manner. The partnership drafted recommendations to achieve immediate equitable goals:

- Introduce a low-income pass type.
- Easier to read and understand instructions at the kiosk in multiple languages.
- Engage the underserved neighborhoods and communities for a potential station siting process and implementation.
- Utilize established criteria such as the Low Income Fare is Easy (LIFE) program to expand Metro Bike Shares reach.
- Expand outreach to low-income neighborhoods and communities of color to educate the public about Metro Bike Share.
- Partner with community based organizations to employ outreach strategies that promote access to bike share.

The newly established performance measures in this plan provide for measureable goals for achieving equitable outcomes. Refer to System Performance Section in this plan.

Prior to the launch of bike share, Metro took initial steps to make bike share accessible to all users by providing free Flex Passes to every LA County resident in the Rider Relief Program. Additionally, when walk-up sales began August 2016, and through the months of August and September, the standard rate of $3.50 per half-hour was priced at $1.75, so that those who could benefit most from the flexibility of a bike share pass could try it at lower cost before committing to the purchase of a pass.
In addition, as a component of ensuring bike share equity, the Metro Bike Share program conducts a Title VI and Environmental Justice analysis of each service area during the planning phase. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance.

Metro partnered with Los Angeles County Bicycle Coalition (LACBC), LADOT and Multicultural Communities for Mobility (MCM) with the goal of identifying specific strategies and actions to make bike share more equitable. This effort was funded by the Better Bike Share Partnership to learn about the transportation needs of low-income communities as well as people of color in the Metro Bike Share service area. The Partnership’s goal was to ensure that bike share is accessible with the end goal of having Metro’s Bike Share ridership more closely tied to that of Metro’s transit ridership.

**Equity and TAP Integration**

As Metro continues to move forward with the goal of pursuing TAP Integration, Metro will offer bike share users transit discounts for low-income, senior, student and disabled transit passes. TAP will further enable fare or system interoperability initiatives in the future for the unbanked.

Metro does not approach the subject of equity lightly or uninformed. Equity is complex that requires active partnerships, collaborations among agencies and community based organizations and public engagement; therefore Metro cannot accomplish the challenge alone. The Equity Platform will serve as framework for Metro Bike Share as the agency develops specific analyses and actions.

**Technology**

**Fleet Mix**

The two dominant bike share technologies used in major metropolitan areas in the United States are the “smart dock” and “smart bike” systems. The technology used for the check-in/check-out process in the “smart dock” system is found in the station docks, while the “smart bike” system uses technology found on the bike.

Metro’s current bike share technology uses a “smart dock” system, but will integrate the “smart bike” system for Phase III and future expansions due to its lower capital costs and flexibility for users, station siting and a changing mobility environment that demands adaptability.

Appendix C provides a comprehensive analysis of bike share equipment technology identified the preferred strategy of maintaining existing smart dock equipment and expanding the system with newly available smart bike equipment for Phase III and future.

**Operator**

Metro conducted a rigorous, impartial and competitive procurement process to ensure that only the most experienced and capable vendor was selected to implement Metro’s Countywide Bike Share Program. Bicycle Transit Systems, Inc. (BTS) and its partner B-Cycle were selected because they had the most industry experience and expertise, proven equipment and technology and the greatest capability for immediate, on-time delivery of a large-scale, multi-jurisdictional bike share system.
TAP Integration

The Metro Board authorized a phased Regional Bike Share Integration Strategy to create a seamless user experience with TAP in November 2015. The first two steps of TAP/ Bike Share integration were completed for the launch of the Downtown Los Angeles Pilot Bike Share in July 2016 and Step 3 is slated for delivery in fall of 2018.

Step 1 - A uniquely branded TAP card functioning as a Metro Bike Share ID is used to unlock bicycles at each station. Only Metro Bike Share TAP cards issued by BTS to pass holders are recognized by the bike share system. Metro Bike Share fares are exclusive to the user’s Metro Bike Share account and are independent from funds or products stored on the TAP card itself or the transit fare collection system. Metro Bike Share TAP cards may be used to access all transit systems that use TAP for fare payment.

Step 2 - All TAP cards, not just Metro Bike Share-branded, functioning as bike share IDs are used to unlock bicycles at stations. Existing TAP card numbers are entered by each user at the time of purchase of a Metro Bike Share pass and validated with the TAP database. This step requires a limited data exchange between TAP and bike share systems. The separation between Metro Bike Share account activity and, funds or products stored on the TAP card itself and the transit fare collection system remains.

Step 3 - Account integration between Metro Bike Share and TAP results in a single account for payment and management across modes, creating a seamless user experience. This unified account permits the user to link to other transportation systems like Metro Bike Hubs, parking, and other multi-mobility services such as Lyft. The existing TAP Customer Relationship Management (CRM) system known as TAPforce enables account management for services outside of the Metro transit system. Administering Metro Bike Share through TAPforce provides centralized reporting functions to staff. Countywide Planning has worked closely with TAP and the BTS/ BCycle technical team on developing Step 3, which enables:

- Account data and purse that may be used for multiple modes (i.e. transit, bike share, or other).
- TAP rewards equivalent to transfers between Metro transit, bike share and other services.
- Discounts by rider type across modes such as low income, senior, or student.
- Credentials other than a credit card that can be used to create cash-funded bike share accounts.
- Reciprocity between multiple bike share systems, and bike share systems and transit.

The cities of Santa Monica, Long Beach, Beverly Hills and West Hollywood and their bike share vendors have participated in planning to understand integration needs for Step 3. Each bike share system shall be responsible for the cost of enhancements to facilitate integration with TAPforce. Future integration of any new system with TAP shall require development of business rules, rewards/ transfer policies, regional account administration costs, and revenue settlement processes.
New Fare Structure
Metro Bike Share launched in July 2016 and as more was learned about consumer needs, pilot pricing was introduced for specific uses.

At the close of 2017, a user survey issued to gather feedback from existing and potential users to better understand how changes to fare structure can better serve patrons reported that 40% of respondents wanted to see a change in fare structure. A new fare structure has been developed that addresses the needs expressed in the survey, is more user-friendly and creates a stronger integration to Metro bus and rail. As a regional transit agency, the goals of Metro Bike Share’s fare structure include TAP integration, equity, simplicity and ease of use. Having fares relate to the existing $1.75 cost to use Metro Rail and Metro Bus is an important element for the system. TAP is a gateway to transit in LA County and integrating Metro Bike Share with this fare payment system is critical to creating a seamless user experience. TAP integration also has the ability to address equitable access to Metro Bike Share by allowing users to pay for bike share without a credit card. The new fare structure aims to be simple and easy to use; many other bike share programs have complex, escalating prices that can be confusing to users.

This section reviews considerations and the development of the proposed fare structure.

1-Ride
Metro bus and rail have a 1-ride fare of $1.75. Matching this for a 1-ride trip on Metro Bike Share provides an easy to understand, direct connection to Metro transit. Additionally, offering a 1-ride fare of $1.75 for the first 30 minutes allows Metro Bike Share to have more competitive pricing relative to private bike share systems.

Transfers
To further integrate Metro Bike Share as part of the countywide transportation system, a “transfer” fare program is recommended. The program will be delivered with Step 3 TAP account integration, tentatively in fall 2018. A 1-Ride fare of 30 minutes will be considered as the TAP reward equivalent of a “transfer” fare. Transit users will able to redeem TAP rewards at their discretion and to use Metro Bike Share to connect to their final destination without paying for an additional bike share fare. This will allow Metro Bike Share to function as a true first/last mile service to bus and rail, providing seamless user experience.

1-Day Pass
In October 2017, Metro Bike Share began piloting a $7 day pass. Many bike share systems also offer a day pass option and Metro wanted to gauge interest in the Los Angeles market. The day pass has proven to be successful, with more average rides taken with the day pass customers than by walk-up users. Additional revenues have been realized above those generated by walk-up rides. It is recommended to fully adopt the day pass into the permanent Metro Bike Share fare structure.
**30-Day Pass**
Several questions in the annual survey were targeted at identifying the ideal price for a 30-day pass. $17 was identified as an optimal price point. This pricing is in line with other monthly pass options offered by bike share systems across the country.

**Annual Pass**
In the 2017 user survey, 42% of respondents with lapsed passes indicated that they would renew their pass if a discounted annual option were offered. Many bike share systems offer an annual option that commits the user to a 12-month pass in exchange for an annual pass fare that is less than the cost of 12 monthly passes. This pass type adds value to the customer while also increasing retention and provides a more reliable cash flow for the program.

**Reduced Fare**
To ensure accessibility and equitable outcomes, the recommended fare structure introduces a new reduced fare option available to Low-Income Fare is Easy (LIFE) participants, delivered as part of TAP account discounts. The reduced fare pass is $5 a month or $50 a year, consistent with peer systems. Below is a table of student and low income rates for major bike share systems in the United States:

<table>
<thead>
<tr>
<th>System</th>
<th>City</th>
<th>Standard Rate</th>
<th>Student/ Low Income Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biketown</td>
<td>Portland</td>
<td>$12/month</td>
<td>$5/month</td>
</tr>
<tr>
<td>Capital Bikeshare</td>
<td>Washington D.C.</td>
<td>$85/year</td>
<td>$5/year</td>
</tr>
<tr>
<td>Citi Bike</td>
<td>New York City</td>
<td>$15/month</td>
<td>$5/month</td>
</tr>
<tr>
<td>Divvy</td>
<td>Chicago</td>
<td>$99/year</td>
<td>$5/year</td>
</tr>
<tr>
<td>Hubway</td>
<td>Boston</td>
<td>$99/year</td>
<td>$5/year</td>
</tr>
</tbody>
</table>

**Proposed Fare Structure**
Below is the existing fare structure:

**Existing Fare Structure**

**Walk-up**
$3.50/30 minutes
All trips 30 minutes or less are $3.50
$3.50 per 30 minutes thereafter

**One Day Pass**
$7/day
All trips 30 minutes or less are free
$1.75 per 30 minutes thereafter
**Limited Time Offer**

**Monthly Pass**
$20/month
All trips 30 minutes or less are free
$1.75 per 30 minutes thereafter

**More Options**
- **Flex Pass**
  ($40/year; $1.75/30 minutes)
- **Bike Share for Business**
  (40% off monthly pass)
- **Bulk Passes**
  Up to 50% off when you buy single ride passes in bulk
Based on the analysis and discussion described in this section, below is the proposed fare structure. This structure is recommended to become effective pending Board approval with the “transfer” fares provided with Step 3 TAP account integration, anticipated in fall 2018.

**Recommended Fare Structure**

<table>
<thead>
<tr>
<th>1-Ride</th>
<th>1-Day Pass</th>
<th>30-Day Pass</th>
<th>Annual Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.75/30 minutes</td>
<td>$5/day</td>
<td>$17/month</td>
<td>$150/year</td>
</tr>
<tr>
<td>All trips 30 minutes or less are $1.75</td>
<td>All trips 30 minutes or less are free</td>
<td>All trips 30 minutes or less are free</td>
<td>All trips 30 minutes or less are free</td>
</tr>
<tr>
<td>$1.75 per 30 minutes thereafter</td>
<td>$1.75 per 30 minutes thereafter</td>
<td>$1.75 per 30 minutes thereafter</td>
<td>$1.75 per 30 minutes thereafter</td>
</tr>
</tbody>
</table>

*TAP Rewards equivalent to a “transfer” fare for all bus/rail trips accepting TAP (pending Step 3 TAP integration and TAP rewards program development)*

**More Options**

- *Reduced Fare Pass* - $5/month or $50/year for eligible seniors, students, disabled/Medicare, and low income individuals
- *Bike Share for Business* - 40% off monthly pass
- *Bulk Passes* - Up to 50% off when you buy single ride passes in bulk

**Smart Bike Convenience Fee**

The new smart bike fleet has location tracking technology that offers users the flexibility of not having to return their bikes to a Metro Bike Share station at the end of their trip. In order to maximize efficiency and to lower operations and maintenance costs, the program will continue to promote the return of bikes to a designated area or a station.

The smart bike fleet shall be put into service beginning with Phase III and continue to expand to other areas served by Metro Bike Share. Staff is recommending relocation fees of $2.00 for users leaving smart bikes outside a station and $20.00 for users leaving smart bikes outside the designated system area. Incentives will be offered to patrons for returning bikes from outside a station to any station.

**Other Revenue Sources**

Since the inception of the regional system, Metro staff has been providing technical and grant support to interested cities. Most of our current partners successfully secured grants to cover capital costs. The City of Los Angeles was awarded Express Lanes Toll grants and Call for Projects for the Downtown Los Angeles pilot. Pasadena was also awarded a Call for Projects grant that partially covered their capital costs. Most recently, Metro staff helped acquire a Greenhouse Gas Reduction Fund grant totaling $7 million to go towards capital costs. This grant is slated to provide expansion opportunities to the USC/Expo Park area and to cities yet to be identified in the San Gabriel Valley. As Metro Bike Share
expands, staff will continue pursue grant opportunities for bike share-ready communities and ongoing operations and maintenance. Because of the unique characteristics of the Los Angeles region and uncertainty about the final amount of on-bike and on-station space available for sponsor recognition, it is difficult to estimate the level of sponsorship revenue that could be expected from the Los Angeles County Regional Bike Share program

**Sponsorships**

Metro has contracted with Bicycle Transit Systems and their subcontractor, Comcast Spectacor to solicit sponsorship opportunities. Currently, the Metro Board has approved and described one level of sponsorship which is Title Sponsor. In the past year, Comcast Spectactor has received proposals that combined several of the assets that our system has to offer. In some cases, the combined assets include station ad-panels that are under the purview of our partners. Metro needs to be flexible and have the ability to negotiate with our partners’ potential hybrid proposal on a case by case basis. Metro staff will ensure that the submitted proposals adhere to Metro’s and the local municipality’s ad policies.

**Title Sponsorship**

Metro continues to pursue a system wide title sponsor. The title sponsor would be entitled to naming rights or prominent recognition across all Bike Share equipment. Metro will also retain control over the primary on-bike branding presence. Revenues from the system wide sponsorship contract will first be applied toward Metro’s financial commitment. Any revenues that exceed Metro’s commitment will be applied toward the jurisdictions’ operating and maintenance share. Any sponsorship revenue beyond what is needed to offset the full operating cost of the program could be retained by Metro for future capital expansion of the program or Metro could come to an agreement with participating jurisdiction on how to dedicate revenue.

**Station Ad Panel**

Participating jurisdictions will manage advertising contracts at the station-ad panel level (kiosk), and will retain advertisement revenue.

**Non-Title Sponsorships**

Interest has been expressed to provide opportunities for varying levels of sponsorships. Metro needs to have the ability to entertain proposals at a small-scale to begin gaining sponsorship interest. Non-title sponsorships can potentially gain rights to essential areas of the bicycle such as skirt guard, basket and/or handlebar decals. Sponsors interested in assets not specified or in Station Ad panels will be negotiated between Metro and respective City. Geographic specific sponsorships would also be managed and negotiated between Metro and the respective City.

**Social Media Assets**

Digital, mobile and social elements are critical assets to Metro. Proposals that include these assets will be carefully reviewed and considered in coordination with Metro’s Communications and Marketing Departments. Partnership opportunities are a common practice in conjunction with Metro’s Public Relations team with regard to integrated messaging. Metro Bike Share will continue to collaborate partnership opportunities that include all other Metro transit services. As a transportation authority,
Metro is limited or may not be able cross promote to our transit users and/or third party sharing and reserves the rights to deny such requests.

**Marketing**

Marketing and Communications are shared responsibilities between Metro and BTS. Metro’s Communication and Design teams are involved to ensure that brand placement and messaging is consistent agency wide. Communications also oversees Metro Bike Share web design and deployment of strategic digital and social media campaigns. Weekly marketing meetings are held to coordinate all these efforts between BTS and Metro’s Bike Share, Communication staff and BTS.

Metro’s Communications team develops paid media strategies in the form of campaigns to market the system to specific targeted audiences. Their campaigns are focused in the areas of Awareness, Education and Consideration. The Marketing team implemented following Marketing Objectives for phases 1 and 2:

- Increase understanding and comprehension of Bike Share program in County of Los Angeles
- Increase Bike Share ridership through free trials and programs (ex. Bike Share for Business)
- Boost awareness and educate the public with Bike Share expansion to three new neighborhoods
- Increase public understanding of project, and encourage sales of passes

BTS is responsible for developing promotions and programming for holidays and local events. A street team is available for each expansion community to staff local events and conduct station activations to drive awareness.

These collaborations are being re-evaluated to ensure efficient use of resources, maximize retention efforts and educate the public about Metro Bike Share as a transportation mode. A robust Comprehensive Strategic Marketing Plan is being developed by Metro’s Communication staff to implement a course of action that will benefit the program in this current competitive bike share market. The Comprehensive Strategic Marketing Plan guide inspiration to arrive at the creative messaging themes.

**Cost Analysis and Reduction**

**Bicycle Transit Systems Contract**

*Firm Fixed Price Contract* - Metro entered into a contact with Bicycle Transit Systems in July 2015. The base contract allows Metro to extend the period of performance up to seven (7) years. Metro exercised the option to extend BTS’ contract to July 2022 with the approval of Phase II expansion. Service Level Agreements (SLAs) are included the contract that BTS must adhere to. Phase III will extend the contract for another 7 years. Revisions to the SLA’s are being made to consider the implementation of the new technology. Metro staff is also recommending including system performance outcomes.

*Operating Efficiencies and Cost Reductions* - Considerations can be made to reduce operations and maintenance costs. The following are potential strategies:
- Enhance Systems- Identify processes that can streamline efficiency. This can be applied to number of areas of operations and maintenance. Employing protocols to ensure effective customer service once Step 3 of TAP integration is executed. TAP customer service will be responsible for financial related inquiries and BTS will continue to program related issues. Understanding and establishing a process that will regularize flow of communication will be critical. Institute an effective and systematic process between Metro, BTS and other Metro Departments is needed.

- Automate- Step 3 of TAP can create opportunities to reduce operations and maintenance costs in administration, reporting and fees.

- Lower Marketing Costs- Traditional forms of marketing can be costly and low on return of investment. Leveraging social media or an internet presence to reach out to millions of users online might be beneficial. There are opportunities both free and paid advertising opportunities available online.

- Revisions to the SLAs- the SLA’s are being reevaluated to adjust to the current demands of the system. Considerations and modification are being made to provide our contractor flexibility in their approach to operating and maintaining the new technology. After a year of operations in DTLA and Phase II expansions, BTS has identified opportunities to alter their operations sequentially reducing the Threshold Criteria to the SLA’s while maintaining the same quality level of service.

**Conclusion**

The next steps in Metro’s Bike Share Business plan will involve data driven decision making that is in line with the vision of the program. Whether operating stations are retained, relocated or repurposed will depend on the metrics used as justifications of performance measures and determination. An evaluation of the overall performance of the Bike Share Business Plan will be 12-18 months after approval by the Board.