



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Ryan Russo
Director, DOT

SUBJECT: Electric Bike Share Expansion

DATE: October 12, 2020

City Administrator Approval 

Date: Oct 28, 2020

RECOMMENDATION

Staff Recommends That The City Council:

Adopt An Ordinance Amending Oakland Municipal Code Title 10 And Title 12.08 To Rename The Dockless Scooter Share Program To Dockless Vehicle Share Program And Include Dockless Electric Bicycles And Tricycles As Eligible Vehicles For Permits Under The Dockless Vehicle Share Program.

EXECUTIVE SUMMARY

Beginning the summer of 2017, a regional bike share program has been operated by Bay Area Motivate, L.L.C. (henceforth, Motivate) in the cities of Berkeley, Emeryville, Oakland, San Jose and San Francisco with general coordination provided by the Metropolitan Transportation Commission (MTC). This report supports the ongoing success of the bike share program by recommending that City Council adopt an Ordinance to amend the Oakland Municipal Code to include dockless electric bicycles and tricycles as vehicles eligible for dockless electric scooter permits. The resulting “Dockless Vehicle Share Program” would allow electric scooters, electric bikes and electric tricycles.

BACKGROUND/LEGISLATIVE HISTORY

In July 2015, City Council approved Resolution No. 85715 C.M.S., adopting a Bike Sharing Policy and authorizing the City Administrator to negotiate and enter into an Intergovernmental Agreement with the Metropolitan Transportation Commission (MTC) and Bay Area Motivate, L.L.C.

In February 2016, City Council adopted Ordinance No. 13355 C.M.S. granting a “non-exclusive” Franchise Agreement to Bay Area Motivate, L.L.C. (Motivate) to operate a bike share program.

In July 2016, an agreement between the City and Motivate granting Motivate an “exclusive” franchise to provide a bike share program for a ten-year period was duly finalized and executed. The ten-year period of the Franchise is effective from July 31, 2017 to July 31, 2027.

City Council
November 10, 2020

In July 2017, Motivate began operating the regional bike share program, initially branded as “Ford GoBike”, in Oakland, Berkeley, Emeryville, San Francisco and San Jose. This program consists of non-electric bikes that must be docked in “stations”.

In April 2018 installation of all 80 planned bike share stations in Oakland was completed.

In July 2018, City Council received an informational update on the City’s shared mobility programs, including bike share.

In September 2018, City Council adopted Ordinance No. 13502 C.M.S., establishing regulations and permits for dockless electric scooter sharing in the public right of way.

In November 2018 Motivate was purchased by the ride-hailing company Lyft, Inc.

In January 2019 Ford Motor Company announced that it would end its corporate sponsorship of the Ford GoBike program. This change in ownership and corporate sponsorship does not affect the City’s rights and responsibilities under the regional Coordination Agreement or the City’s Franchise Agreement with Motivate. Lyft subsequently re-branded the bike share program as “Bay Wheels”.

ANALYSIS AND POLICY ALTERNATIVES

Electric-assist bicycle (henceforth, e-bike) sharing programs provide short term rentals of bicycles with electric batteries and motors that assist the rider in pedaling. Electric bicycles allow users to ride farther using the same amount of effort and may increase accessibility to persons with limited mobility. For these reasons, electric bike sharing is a beneficial mode of transportation that should be available to all Oaklanders. Under the regional Bay Wheels bike share program, the rights to operate e-bike share are separate from the rights to operate a non-electric bike share system. These rights are detailed in Section 32 of the regional Coordination Agreement between MTC, Motivate, Oakland and the four other cities that participate in the program. Per Section 32.2, any exclusive right to operate an electric-assist (e-bike) share program that Motivate might have had under the Coordination Agreement expired on June 30, 2016 after a six-month window of exclusivity

In order to make shared electric-assist bicycles available to Oakland residents as quickly as possible, staff recommends that an Ordinance be adopted to rename the dockless scooter share program the “dockless vehicle” program and include dockless electric bicycles and tricycles as eligible vehicles for permits under that program. The new dockless vehicle program would then allow electric scooters (e-scooters), e-bikes and electric tricycles. Under such a program, e-bike providers could apply for a permit to offer this service in Oakland, subject to the same rules and regulations governing the E-scooter program. Lyft would be eligible to apply but would not hold exclusive rights to do so. Dockless e-bikes operate and park in a similar manner to E-scooters and would benefit from a similar regulatory regime. However, because of the COVID-19 emergency, the number of companies willing and able to offer e-bikes under an open permit program is dwindling. Even so, staff believes that several operators are interested,

recognizing that there is no guarantee that they will apply or continue to provide service in years to come.

This recommendation results from several years of E-bike negotiations with Motivate and later, Lyft. In January 2018, the City's Department of Transportation (DOT) notified Motivate of its intention to develop an E-bike program, thereby triggering a 90-day exclusive negotiating period consistent with Section 32.3 of the regional Coordination Agreement. This exclusive negotiating period ended in April 2018, with DOT staff and Motivate unable to come to agreement on the terms of an e-bike program. Per the regional Coordination Agreement, the City would then have the right to issue a solicitation for an e-bike program that would be open to other operators as well as Motivate.

In December 2019 DOT staff, reinitiated negotiations with Lyft regarding the e-bike Right of First Offer (ROFO) for dockless e-bikes. DOT staff secured commitments for Oakland-specific benefits including \$93,750.00 of funding for bike racks, expansion of the bike share service area to the entire city and new Key Performance Indicators (KPIs) and associated liquidated damages. The draft E-bike Franchise Amendment ("Amendment") as negotiated, would have required Motivate to deploy up to 1,250 dockless e-bikes throughout Oakland (with the exception of the hills east of Interstate 580 and State Route 13), and detailed several accountability mechanisms to ensure that bikes are deployed in a timely manner, that service is reliable, that bike racks are kept clean and that underserved portions of the City would have bikes. This negotiated Amendment was heard at the Public Works committee in January 2020 and advanced to the full City Council on the consent calendar but was not heard at full Council due to concerns about the higher prices for e-bikes. Staff held several listening meetings with stakeholders in order to better understand concerns about E-bike pricing, including a meeting convened by Bike East Bay in March 2020 and a special meeting of the Bicycle and Pedestrian Advisory Committee's legislative sub-committee in April 30 2020. Staff from Oakland, Berkeley and Emeryville developed a pricing counter-proposal based on this feedback, and presented it to Lyft in April 2020.

Lyft launched dockless e-bikes in San Jose and San Francisco under the regional ROFO agreement in February 2020. Lyft reported greater than expected vandalism and lower than expected ridership in these two cities. Additionally, a shelter-in-place order was issued by Alameda County and other Bay Area counties on March 17, 2020 due to COVID-19. The resulting drop in commuting and other travel led to severe financial impacts on many transportation services, includes bike share, ride hailing and public transit. Because of these factors, Lyft withdrew its proposal for a large-scale expansion of the bike share program and indicated it would not negotiate on e-bike pricing. In its place, Lyft has offered a smaller expansion with only 350 E-bikes across the three East Bay cities of Oakland, Berkeley and Emeryville (**see Attachment A**), with approximately 180 e-bikes expected to be available in Oakland at any given time. Due to the higher costs of E-bikes, including higher vehicle costs, charging costs, and battery theft, Lyft has proposed that the provision of these 180 bikes would be conditioned on ridership and vandalism rates. Under this proposal, if ridership were too low or vandalism too high, the e-bikes could be removed. While staff finds this proposal reasonable under the current conditions, they also recognize that it represents a significant reduction in service. With such a minimal investment in e-bikes in the East Bay, the City would not be able to achieve its minimum objectives of coverage and affordability even in the best-case scenario. Therefore, staff recommends that this offer be formally rejected. Rejecting this offer does not

mean that Motivate will no longer be able to offer e-bikes, but it would remove their exclusivity over providing shared e-bikes in Oakland and allow the City to solicit other providers to offer this service.

Table 1. Comparable City E-bike Share Programs

City	Governance Structure	Operators	# of E-Bikes	Permit Fees		Public Investment
				Overall	Per vehicle	
Washington D.C.	Open-Permit (2020)	- Jump (now discontinued) - Helbiz	3,970 permitted 650 deployed	\$425 & \$10,000 bond or security	Monthly, starting at \$60 decreasing \$5 each month	None
Washington D.C.	Public bikeshare	Lyft	1,500	None	None	\$2,400 to purchase each e-bike
Seattle	Open-Permit (2018)	-Jump -Lime (now discontinued)	1,000 deployed	\$260 per hour of review & \$224 for issuance	(if fewer than 4 vendors) \$50 monthly	None
Santa Monica	Open-Permit (2018, renewed 2020)	-Jump (now discontinued) -Lyft	500 permitted 500 Will deploy Oct.1	\$20,000	\$105 & \$0.20 per trip	None
Austin	Public bikeshare	MetroBike with Capital Metro	200	None	None	\$500,000 + \$250,000 each year
Oakland (proposed)	Open-Permit	-To be determined	-To be determined	\$30,000	\$68	None

The bike share industry has experienced significant upheaval in recent years. Where once dozens of companies competed to provide dockless bike share service to cities for free, now many of those companies have gone out of business or shifted business models to focus on e-scooters. Cities with non-exclusive e-bike permit programs are finding that few private operators are willing to pay permit fees or operate large e-bike fleets. A summary of comparable city e-bike programs is shown in **Table 1**. Despite these challenges, staff believes that the fastest route to achieving a robust and equitable e-bike share program would be to add e-bikes to the

existing e-scooter program. However, permit fees may be a major barrier to attracting applicants.

Alternative One: Accept the E-bike Proposal From Lyft

The benefits of accepting Lyft’s offer and continuing with an exclusive e-bike share system include having a seamless regional system with one operator and strong public benefits including regional consistency, fair wage and labor policies, Clipper card integration and equity memberships.

The current bike share program has been successful in many ways. Over 1,600 Oaklanders have signed up as members, and over 650,000 trips have been taken on the system. According to a 2018 Ford GoBike member survey, an estimated 30% of those trips would have been taken by car if bike share did not exist. About one fifth (22%) of Oakland’s bike share members receive a discounted \$5 first-year membership through the “Bike Share For All” program, which is available to anyone who participates in the CalFresh, Pacific Gas and Electric (PG&E) California Alternative Rates for Energy (CARE) or San Francisco’s MUNI Lifeline pass.

Because Lyft already operates 80 bike share stations in Oakland, users would have the option to utilize those stations or to park at bike racks within the service area. The drawbacks of this proposal include a limited number of e-bikes, a limited service area, and uncertainty about whether the program would continue due various thresholds for program cancellation listed in the draft agreement. These thresholds are very likely to be met, jeopardizing the future availability of shared e-bikes. Other operators would be prevented from providing dockless e-bike service.

Alternative #1	Accept e-bike proposal from Lyft
Pros	E-bikes would be available under the existing, regional program which has a strong low-income program. Users would be able to utilize docking stations or lock to bike racks.
Cons	A limited service area with only 180 of e-bikes. The E-bikes could be removed at any time if various thresholds for theft and vandalism are met.
Reason for not recommending	The service area and number of e-bikes that would be provided under this proposal are not sufficient to justify an exclusive agreement.

Alternative Two: Explore Direct Public Funding

Many bike share programs around the country are publicly funded. Publicly funded programs in Washington D.C. and Austin, TX have recently introduced e-bike fleets. In July, Capital Bikeshare, D.C.’s public bike-share system, launched 1,500 e-bikes with their bike operator Lyft.¹ Austin, TX recently approved an electric bike share expansion to their bike share program (previously known as Austin B-cycle, now to be rebranded as MetroBike to reflect greater integration with their transit operator) with \$250,000 from the City and \$250,000 from Capitol

¹ [DCist Capital Bikeshare e-bikes return](#)

Metro for annual operating costs and a total of \$500,000 for capital expenses.² Public funding could be derived from grants, regional funds or City general fund appropriations. As a further policy alternative, City Council could direct staff to explore public funding for e-bikes in Oakland. For example, public funding for e-bike share could allow Lyft to expand beyond the 180 bikes they are currently able to offer; in return, the City could ask for service area expansion, pricing changes or other public benefits. Because the cities of Oakland, Berkeley and Emeryville have a porous border with many intra-city trips, publicly funded bike share would work best with all three cities involved. One option would be to create a joint powers authority (JPA) between Emeryville, Berkeley, and Oakland. This JPA could administer a shared e-bike program — public or open-permit — across all three jurisdictions. This body could also partner with MTC and would have the ability to independently apply for funding and grants.

Alternative #2	Explore direct public funding
Pros	E-bikes could be made available throughout the City with a lower price for users.
Cons	This would require significant lead time and development of staff and infrastructure. The necessary City funding could be in the millions of dollars.
Reason for not recommending	E-bikes would not be available for a significant period of time. The cost may not be justifiable if private sector operators are willing to provide this service for free.

FISCAL IMPACT

The proposed addition of e-bikes as eligible vehicles under the current dockless e-scooter share program (to be re-named “Dockless Electric Vehicle” program) would subject dockless electric bikes to the same permit fees associated with that program. Those permit fees are designed to recover the City’s cost of administering that program, and include a \$30,000 Operator fee, a \$68 per-vehicle fee and a ten-cent parking fee assessed in areas with parking meters. Staff expects the fees for this program to be analyzed in light of the ongoing COVID-19 emergency and a proposal for revisions to be included in next year’s Master Fee Schedule update.

PUBLIC OUTREACH / INTEREST

Public outreach regarding this Resolution and Ordinance was conducted during outreach for Lets Bike Oakland! (Oakland Bike Plan) and presentations to the Bicycle and Pedestrian Advisory Commission (BPAC). Staff collected feedback on the current bike share system at the East Oakland Collective Community workshop on March 21, 2018 and the BPAC meeting on May 17, 2018. Feedback on potential expansion of the bike share program to include Hybrid E-bikes and expansion into East Oakland was collected at the East Oakland Collective Design Lab event on June 30, 2018 and the BPAC meeting on July 18, 2019. Public feedback about proposed pricing for shared E-bikes was collected at a special session of the BPAC legislative sub-committee on April 30, 2020.

² [Capital Metro and Austin Bike Share partnership](#)

COORDINATION

This report and legislation were developed by staff in coordination with the Offices of the City Attorney and the City Administrator. DOT staff also worked closely with staff from MTC and the Cities of Berkeley and Emeryville.

SUSTAINABLE OPPORTUNITIES

Economic: Any expansion of the bike share program will be privately funded by the system's Operator. Increased access to bicycles will increase mobility for Oakland residents, leading to better access to jobs and opportunities.

Environmental: Electric-assist bicycles are an environmentally beneficial mode of transportation that emit no air pollution or greenhouse gasses. An estimated 30% of bike share trips would have been made by car if bike share did not exist.

Race and Equity: Any e-bikes permitted under a new dockless vehicle program would be subject to regulations including provisions for an equitable service area. Highly discounted passes would be provided for qualifying low-income residents.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council:

Adopt An Ordinance Amending Oakland Municipal Code Title 10 And Title 12.08 To Rename The Dockless Scooter Share Program To Dockless Vehicle Share Program And Include Dockless Electric Bicycles And Tricycles As Eligible Vehicles For Permits Under The Dockless Vehicle Share Program.

For questions regarding this report, please contact Kerby Olsen, Shared Mobility Coordinator at 510-238-2173.

Respectfully submitted,



RYAN RUSSO
Director, Department of Transportation

Reviewed by:
Wladimir Wlassowsky, P.E.
Assistant Director

Michael P. Ford, Ph.D.
Parking and Mobility Division
Manager

Prepared by:
Kerby Olsen
Parking and Mobility Division
New Mobility Supervisor

Attachments (1):

A: Oakland E-bike Franchise Amendment