



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: John A. Schneider, Manager, Community Development Services Department
Lily Wilcock, Planner I
DATE: March 7, 2019
SUBJECT: Presentation – Update on Bike Share and IGA

Purpose

This report provides information on the status of community's bike share intergovernmental agreement (IGA), data that provider VeoRide has reported, and proposes amendments for the renewal of the IGA by the City of Urbana, City of Champaign, and the University of Illinois.

Feedback from the Committee of the Whole is requested to assist staff in working with our partners in Champaign and at the University of Illinois to amend the IGA to regulate bike share operators.

Summary

- The Urbana City Council passed a resolution on June 18, 2018, to enter into an IGA with the University of Illinois at Urbana's Board of Trustees and the City of Champaign. On July 16, 2018, Urbana City Council then passed an ordinance to allow bikes to be parked in the right of way.
- In September 2018, VeoRide began operating a bike share system as the first (and to date, only) licensee. VeoRide has deployed 500 bicycles in the community, the maximum number permitted under the pilot program regulations.
- VeoRide has experienced high ridership levels, with 14,800 users having taken at least one ride and nearly 165,000 total rides having been taken across the community (approximately 1,000 per day).
- Ridership is highest in and around the University of Illinois campus. However, secondary ridership concentrations have appeared around both downtown Urbana and downtown Champaign, and a small but consistent number of riders travel to both the commercial and light industrial areas of Urbana. Riders also take bicycles to and from Urbana's various residential neighborhoods.
- At launch, staff received several questions, comments, and complaints per week from citizens. As the community has become more familiar with bike share, this number has dwindled. Meanwhile, VeoRide has generally met expectations and followed program regulations. The operator has not been fined for any violations, nor has it caused any property damage prompting reimbursement from the security deposit.

- The first license cycle concludes at the end of June 2019. VeoRide has expressed an interest in renewing their license for the 2019-2020 cycle, and two other operators have indicated they will likely apply for a license as well.
- Should the Committee of the Whole provide direction for amending the IGA, staff will present proposed IGA modifications to the Bicycle and Pedestrian Advisory Commission (BPAC) prior to formal consideration of an ordinance by the Committee of the Whole and Council.
- Although the topic of e-scooters has been raised among various community members, it is not a part of proposed amendments to the IGA at this time. Staff anticipates conducting additional research and bringing information regarding that topic to the Committee and BPAC in the future.

Current Bike Share System

Intergovernmental Agreement and Parking

The current IGA went into effect in mid-July of 2018. The IGA operates by binding each entity to adopt a number of identical regulations governing bike share, including:

- The designation of the City of Champaign as the lead agency administering license approvals, with each agency's enforcement authority preserved within their own jurisdiction (i.e., the City of Urbana is neither empowered nor obligated to enforce City of Champaign's regulations in Champaign or University of Illinois regulations on University property).
- A non-refundable application fee of \$600, due annually upon application for license renewal.
- A requirement that operators post a security deposit of \$1,000 with both the City of Urbana and the City of Champaign (\$2,000 total) that each city may draw upon to cover public expenses incurred within its municipal boundaries.
- A restriction on maximum fleet size of 500 bicycles per operator.
- Regulations requiring operators to provide a method for both users and non-users to report damaged and improperly parked bicycles, as well as regulations obligating operators to respond to such notice in a timely fashion.

The IGA does not regulate parking locations, as bicycle parking areas and existing regulations are separate between each jurisdiction. However, all three agencies adopted largely similar regulations for bicycles parked in the public right-of-way.

Potential bike share operators must complete an application that includes proof of liability insurance, a bicycle education plan for the University, an additional fee of \$5 per bicycle for campus in order to recover costs of the bicycle registration tag and system, and general company information. The application will require the company to provide proof of staffing in the community to maintain the fleet of bicycles and 24-hour phone number for any person to use to report a problem.

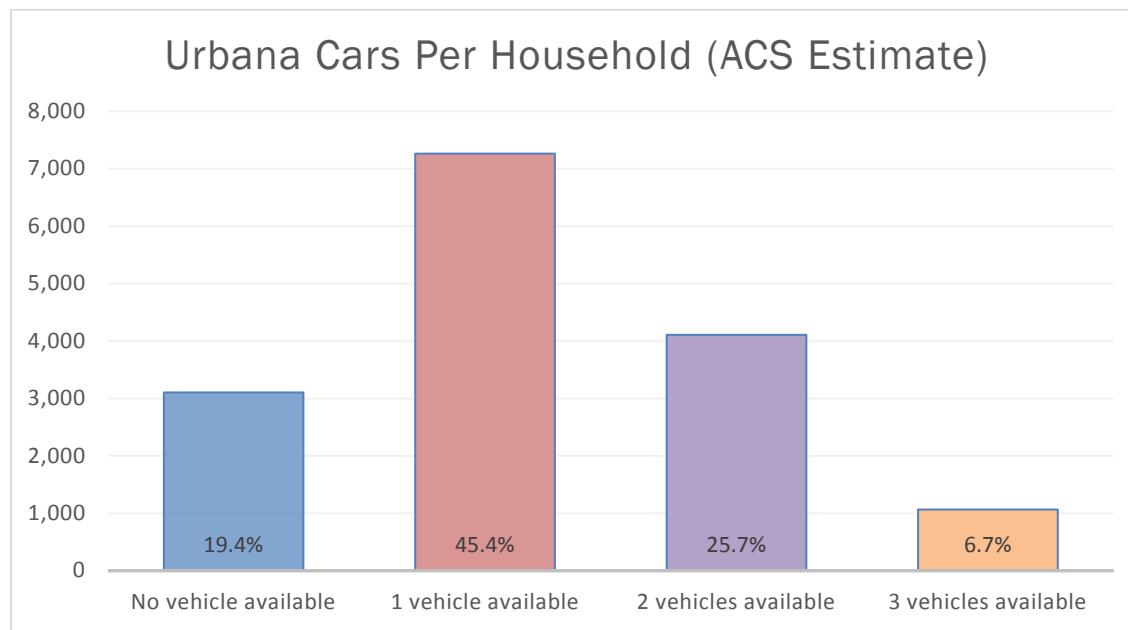
The fee collected from the operation of the bike share does not cover the cost of City of Urbana staff time spent on the development of the agreement. Most of the staff time was spent researching bike share and working with the three partner agencies to create the initial terms of the agreement before the IGA was finalized and signed.

Staff lack precise data on parking compliance rates, but in general, most users appear to park their bicycles properly after use. The most frequent improper parking behavior appears to be the placement of bicycles on narrow sidewalks, partially or completely blocking sidewalk access. Users bear the

responsibility for parking their bicycle legally following a ride, but the IGA obligates VeoRide to move improperly parked bicycles if notified by a citizen.

Bike Share Use Since Launch

Within 24 hours after VeoRide launched the bicycles in September 2018, there were bicycles at the Champaign Wal-Mart, Urbana Wal-Mart, and industrial areas in Urbana-Champaign. The bicycles were rapidly utilized by people needing to go to locations that are difficult to reach by any other transportation modes besides car. Allowing the bike share companies to enter the community has expanded the transportation options for residents in Urbana. Many residents in Urbana households have limited access to cars, and walking, biking, and bus transportation are popular modes in Urbana, according to the American Community Survey. The survey provides a general snapshot for the number of cars per household and shows that many households do not have access to a car in a traditional sense.



VeoRide is required in the IGA to provide certain key data per month. By these numbers staff has seen:

- Average daily amount of rides is 967. The average number of rides per bike per day is 1.9. During the University of Illinois's school semester, the average number of rides per bicycle is 2.2 per day.
- The number of subscribed users by the end of February 2019 is over 300 subscriptions. The total number of users in the community over 15,000 people.
- The number of miles ridden in the community is over 50,000 miles.

While VeoRide was the only applicant during the first several months of bike share, two additional operators have expressed an interest in applying for a license in 2019. Champaign staff have not received an application from either of those companies.

Ben Thomas, the manager at VeoRide for the Urbana-Champaign community, has stated many times that the demand for bike share bicycles is much higher than the 500 bicycles limited to the company.

Students are regularly reporting on social media of hiding the bicycles in bushes or using their own lock to “secure” bicycle for fear there will not be a bike when they need it next.

Proposed Amendments to IGA and Regulations

If the City of Urbana does not see the need to amend the IGA, it will renew automatically on July 1, 2019, without any action from the Council. As Champaign is using a pilot program model, the City of Champaign City Council has directed staff to renew the pilot program but expressed interest in discussing the terms of the IGA regarding the application fee and the number of bicycles allowed in the community. The following options were presented to Champaign City Council’s Study Session on February 26, 2019, by city staff.

Any changes to the program, except for any proposals related to parking, will need to be approved by all three partner agencies and will likely require an amendment to the IGA. Nevertheless, Council direction on these issues will serve to guide the discussion with the partner agencies, each of whom have or will be considering the same topics.

Issue 1: Increase the number of bicycles allowed to operate.

Currently, operators are limited to 500 bicycles each. The only active operator (VeoRide) has deployed a full complement of 500 bicycles. Ridership has been high, indicating strong demand for additional bicycles, and the existing number of bicycles has not posed a significant problem to City of Urbana operations or the public. It would appear that the community would likely be able to accommodate a higher collective number of bicycles relatively easily.

However, the potential introduction of one or more additional operators complicates the assessment of an appropriate fleet cap. Should the fleet cap remain at 500 bicycles and two more operators acquire licenses, the collective number of bicycles across the system would likely triple to 1,500. Should the fleet cap modestly increase to 700, the collective number of bicycles would potentially more than quadruple to 2,100. It is possible that this number would not cause many more problems, as each operator competes to provide responsible service over its own relatively modest fleet size. However, it is also possible that such an increase would overtax the limited legal parking areas in certain high-demand areas and cause substantial spillover problems.

In the face of this uncertainty, any increase in the maximum number of bicycles permitted per operator could take one of two forms: equal increase or increase based on past performance. An equal increase would involve raising the fleet cap for all operators, regardless of the length or quality of their service under the pilot program. Should Council prefer this option, staff recommend raising the fleet cap by no more than 100-200, to a maximum of 600-700. In contrast, an increase based on past performance would allow an operator to increase their fleet size beyond 500 bicycles upon demonstration of quality performance over a predetermined length of time (e.g., one year). Should Council prefer this option, staff recommend allowing an increase of 200-500 bicycles for qualifying operators, with other operators remaining capped at 500 bicycles.

Finally, it may prove most prudent to leave the fleet cap at 500 bicycles until staff are more certain about the number of anticipated operators during the 2019-2020 cycle. The fleet cap need not necessarily be modified in advance of the second year of the pilot program. Rather, it may be increased at a later date when the operator landscape is more settled.

Issue 2: Increase the fee for operating.

Currently, the only sources of revenue arising out of the bike share pilot program are the application fees (\$600, \$200 of which stay with the City of Urbana) and any potential fines for regulatory violations. The security deposit also exists to cover costs incurred from damage to City property or failure to pay fines. The application fee roughly covers the staff time involved in reviewing an application but covers neither staff time involved in administering the program outside of application review nor the costs of installing additional bicycle infrastructure (either travel or parking).

Increasing application or other fees would raise additional revenue. However, the amount of revenue needed to completely cover staff time spent on program administration is substantially above current program fees (approximately \$5,000 to \$7,500)¹. It is unclear whether raising fees to cover this full cost would drive operators from the market.

As of now there are other app-based ride-share operators that do not pay anything to operate in the right of way, like Uber or Lyft. Bike share has provided a relatively inclusive transportation option for users and likely filled a transportation gap for some in the community.

Next Steps

Staff requests input from the Committee of the Whole regarding an amended Intergovernmental Agreement (IGA) with the City of Champaign and the University of Illinois to license and regulate bikeshare operators.

¹ This estimate is from the City of Champaign. The costs would be lower in Urbana as Urbana is not the lead agency. Note the amount of staff time expended on the program is similar to the time spent on a zoning map amendment or a variance case, for which the City charges \$175 to \$200 each.