



## Legislation Text

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**File #:** 13-0730, **Version:** 1

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Resolution to Approve Ann Arbor Bike Share Master Agreement with Clean Energy Coalition for Implementation and Operation of a Bike Share System (\$150,000.00)

Attached for your consideration is a resolution to approve an agreement with the Clean Energy Coalition (CEC) to establish, implement and operate a Bike Share Program within the City relying on the Alternative Transportation Fund to provide the local match for grant funding secured for the program investments.

Bike sharing offers an opportunity to dramatically increase the bicycle mode share in Ann Arbor. Modern bike sharing is quickly growing in popularity within the US, as over twenty systems have launched since 2010. Durable bicycles, specially-designed for bike sharing, are made available for public use at designated stations in, and around, an urban center. Users are enabled to access the bicycles with a swipe of their credit card or membership card. Bike share systems allow users to obtain a bicycle at one bike share station and return the bicycle at a location near one's destination. Bike sharing offers numerous benefits to communities, such as introducing community members to cycling, enhancing transit, improving public health, and reducing greenhouse gases and congestion.

The CEC is leading the local initiative to establish a bike share program in Ann Arbor. This will be the first publicly available bike share program in Michigan. The CEC has collaborated with several partners in developing the program, including the Ann Arbor Transportation Authority (AATA), Downtown Development Authority, the University of Michigan and the City of Ann Arbor. Over the past year, the CEC has secured a Federal Highway Administration Congestion Mitigation Air Quality (CMAQ) grant of \$600,000.00 for bike sharing. The CMAQ funds are dedicated to capital expenditures. CMAQ funds are provided at an 80/20 matching formula, requiring a local commitment of \$150,000.00 to draw the total amount of CMAQ funds allocated for this program.

The CEC is requesting that the City enter into a bike share partner agreement and provide the \$150,000.00 in local matching funds over two fiscal years timed as follows: \$125,000.00 in FY14 as matching funds for the initial \$500,000.00 of CMAQ funding, and an additional \$25,000.00 in FY15 as the matching funds for the remaining \$100,000.00 of CMAQ funding. The Bike Share program is included in the FY14 CIP. FY14 CIP funding was programmed at \$60,000.00 reflecting the anticipated costs at that time. The bike share funding program has been adjusted resulting in an increased commitment from the City in FY14, while reducing contributions for FY15 and eliminating a contribution anticipated for FY16. The additional FY14 funding will be drawn from Alternative Transportation Funds previously identified and allocated for Alternative Transportation maintenance needs. Recognizing the maintenance needs are not yet known, staff will present an item to Council to allocate funding from the Alternative Transportation Fund to address ongoing alternative transportation program maintenance when the level of funding needed is determined.

In addition, the CEC has worked to secure partner contributions allowing for program development and three years of program operations in Ann Arbor. The AATA is serving as the procurement agency and is overseeing the vendor selection process. B-Cycle has been selected as the bike share

vendor and will be providing the bicycles and bike share system elements. The University of Michigan has pledged a total of \$600,000.00 for three years (2014-2016), up to \$200,000.00 each year, for system operations. The CEC will provide administrative support and operate the bike share system. They will collect user fees, seek station sponsorships and pursue other funding in order to achieve fiscal self-sufficiency before the end of the initial three-year program period.

The City's Non-Motorized Transportation Plan seeks to create an environment and culture to support increasing reliance of non-motorized transportation. Bike sharing, although not included as an element in the 2007 plan as an implementation strategy, has been identified during the recent plan update process as a new initiative appropriate for Ann Arbor. In addition, the City's 2012 Climate Action Plan listed implementation of "a community-University bike-sharing program" as a plan goal.

The Ann Arbor bike share system will be comprised of approximately 12-14 bike share stations with an anticipated total of 120-140 bicycles. The anticipated hours of operation are seven days a week, 5am-midnight, from April-November. The preliminary bike share locations include: Kerrytown; the Main Street area; adjacent to the Ann Arbor District Library/Blake Transit Center; along the Liberty corridor at Liberty Plaza; State Street area; South University area; as well as at locations on, or near, key destinations at the University of Michigan campuses. Acquisition of the bike share system elements by CEC will occur after approval of this agreement, final station design, and approvals for bike share station locations. Launch of the program is anticipated in the spring of 2014.

The funding for FY14 is available in the approved Alternative Transportation Capital Budgets. During the FY15 budget adjustment process, staff will include the additional \$25,000.00 request from the Alternative Transportation Fund.

Prepared by: Eli Cooper, Systems Planning

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City of Ann Arbor has adopted a Citywide Non-Motorized Transportation Plan and a resolution of support for maintaining a complete streets philosophy for transportation systems in the city seeking support of, and encouragement for, convenient ways for pedestrians and bicyclists to travel throughout the City;

Whereas, The City's 2012 Climate Action Plan adopted by City Council on December 17, 2012 includes implementation of "a community-University bikesharing program" as a plan goal;

Whereas, The Clean Energy Coalition (CEC) has identified a bike share system as a means to advance the City's interests in establishing bicycling as a means of transportation for an increasing number of trips, reducing the amount of energy consumed and providing additional sustainable transportation options in the City of Ann Arbor;

Whereas, The City of Ann Arbor, CEC, Ann Arbor Transportation Authority (AATA), and the University of Michigan (U-M) find it necessary and desirable to undertake the Ann Arbor Bike Share program and the Federal Highway Administration (FHWA) has provided a Federal FY2013 Congestion Mitigation Air Quality (CMAQ) Grant of \$500,000.00 to conduct such a program;

Whereas, The City has been asked to provide \$125,000.00 in funding from the Alternative Transportation Fund to serve as local matching funds for Federal FY2013 CMAQ Grant funds;

Whereas, The funding for the City's share is available in the approved Alternative Transportation capital budget;

Whereas, The FHWA has awarded an additional \$100,000.00 CMAQ Grant to continue and expand the program in Federal FY2014, which is anticipated to be matched by \$25,000 of local funding from the City's FY15 Alternative Transportation Fund if so approved by Council;

Whereas, The University of Michigan has committed to contributing \$200,000.00 annually for calendar years 2014 - 2016 towards operating expenses; and,

Whereas, CEC will establish, implement and operate the bike share program and seek to secure additional program funding via other agency contributions, private sponsorships and membership dues and fees;

RESOLVED, The City Council approves the Ann Arbor Bike Share Master Agreement with the Clean Energy Coalition for the acquisition and operation of the Ann Arbor Bike Share program;

RESOLVED, That the City's Transportation Program Manager shall serve as the City's Designated Representative according to the terms in the attached Ann Arbor Bike Share Master Agreement, but that the City Administrator shall have authority to change the City's Designated Representative upon written notice to the CEC as provided in the Ann Arbor Bike Share Master Agreement;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said Ann Arbor Bike Share Master Agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That Council authorizes the City Administrator to take the necessary administrative actions to implement this resolution;