APPENDIX M
Current State and Recommendations

BIKE SHARE IN SEATTLE

March 30, 2015
Scott Kubly, SDOT Director
Mayor's Briefing
service area
much larger
Expand to cover

•

ORCA
Integrate with

•

with Electric Drive
Flatten the City

•

Making Bikeshare Work in Seattle
TRANSPORT

• Strategically placed stations to leverage tourist AND

• ORCA card integration faster and easier for members

• Electric assist bikes accessible to more ages andabilities

• 300 stations; 3,000 bikes better connection = more use

Vision for the Future
Background

- Children's Hospital
- Sound Transit
- Removed
- Visit Seattle (new)
- PATH (new)
- Cascade Bicycle
- Cities of Kirkland and Redmond
- PSRC
- REX
- Initiative
- Seattle Department of Transportation
- King County Metro
- Active
- Board of Directors

- Institutional seats from the board
- 2015 changed by-laws to remove
- Expansion of 12 – 15 stations
- November 2014 budget funded stations/500 bikes
- October 2014, launched 50
- ALASKA SPONSORSHIP SECURED
- March 2014 contract signed
- 2012 hired Executive Director
- Non-Profit formed 2012
Sign code impacts this equipment and sign code lower dollar value

- 22/50 sponsored
- Weak station sponsorship sales
- Stations not located in high-tourist locations
- Low density of stations in service area
- Small number of stations

Low ridership. This is likely due to:

Current State
Casual Memberships Drive Economic Viability

Annual Memberships Indicate Transit Utilization

Successful BikeShare Systems Operate at Large Scale
12-Month Operating Cash Flow Projection

Revenue:
- $5.52M
- $1.54M
- $0.24M
- Higher than peer cities; DC $1.09-$1.20/dock
- Motivate Fee $1.25/dock * 875 docks

Expenses:
- Currently annual shortfall
- Operating expenses

AT CURRENT 50 STATIONS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ANNUAL</th>
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<tbody>
<tr>
<td>Currently annual shortfall</td>
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<tr>
<td>Operating expenses</td>
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<td>Non-profit salaries and other</td>
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<td>Higher than peer cities; DC $1.09-$1.20/dock</td>
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Issues with 2015 Expansion

- ProNTO worried about increased operating deficit.
- January: Asked to stop operating stations from operating.
- February: Asked to reduce number of stations.
- March: To date, SDOT has not received full accounting of ProNTO's cash position.
- Based on independent analysis, SDOT concerned about non-profit's solvency.

Funds not found.
Center City Connector

city’s ability to compete for other larger projects, i.e., could affect difficulty managing PRONTO’s FTA grant.

2015 or earlier

Without large cash inflow, PRONTO runs out of cash Q4

Alaska has not yet pursued option to expand

Issues for Longer Term
• Station placement and service area
  • TIGER grant

Fund Expansion/Ensure Financial Sustainability – Change funding and operations strategy
  • Share revenue risk with vendor

Reduce Costs – Renegotiate contract
  • Reduces FTA grant management risk
  • Reduces overhead costs
  • Ensures more city control

Simplify Governance – Make bike share a city program

How we get there
Seattle - Alaska Airlines

$88k per station/year

Chicago - Blue Cross/Blue Shield

$8.5k per station/year

Philadelphia - Independence Blue Cross

$14k per station/year

London - Santander

$16k per station/year

New York - Citibank

Sponsorship
Sponsorships generated by station may be limiting revenue size of station sponsor logo.

Underperforming sponsors are great value but station title sponsor generating increasing sponsorship value.
### 300 Station Financial Outlook

#### Seattle: 46 Members/Station

Boston: 71 Members/Station (December 2014)

Chicago: 95 Members/Station (December 2014)

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<td>Sales</td>
<td>3.9M</td>
<td>4.6M</td>
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<td>5.6M</td>
<td>6.1M</td>
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<td>Expenses</td>
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Costs per member:
- 2017: $22,000
- 2018: $23,000
- 2019: $24,000
- 2020: $25,000
- 2021: $26,000
- 2022: $27,000
- 2023: $28,000
- 2024: $29,000

End cash balance - Q3:
- 2017: $10,000
- 2018: $15,000
- 2019: $20,000
- 2020: $25,000
- 2021: $30,000
- 2022: $35,000
- 2023: $40,000
- 2024: $45,000

Note: Members/Station data as of December 31, 2014.
Share system with e-bikes

- One of the first North American bike
- Rolls out in 2016
- Flexible/scalable (State package/Levy)

Pros

Program
- Permanent jobs and job training
- Education
- First/last mile access to transit
- Leaders of opportunity
- 250 stations with e-bikes
- Non-motorized improvements

TIGER 2016
More competitive for grant funding + easier coordination

Hired Boston bike czar - launched and expanded Hubway

Renegotiate costs

Scott is national expert on bike share - best able to

Strengthen ask

Mayor most successful fundraiser - direct city control

City in better position to make bike share succeed:

Why we will be successful