



## Legislation Text

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### City of Alexandria, Virginia

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#### MEMORANDUM

**DATE:** NOVEMBER 6, 2013

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** RASHAD M. YOUNG, CITY MANAGER/s/

**DOCKET TITLE:**

Consideration of Capital Bikeshare Update.

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**ISSUE:** Consideration of update on Capital Bikeshare program in Alexandria after one year of operations.

**RECOMMENDATION:** That City Council receive this report on the first year of Bikeshare operations in Alexandria, and plans for future Bikeshare expansion.

**BACKGROUND:**

Bikesharing is a form of public transportation where bicycles are made available for shared public use. Alexandria's bikesharing program, Capital Bikeshare, is a joint program currently comprised of the District of Columbia, Arlington County, the City of Alexandria and Montgomery County. The program was launched by Arlington County and the District of Columbia in September 2010 with 110 stations. Alexandria joined the regional program in September 2012, with eight stations in Old Town. Alta Bicycle Share is the contractor hired by all the participating jurisdictions to operate this regional system.

The Capital Bikeshare program is consistent with the Council Strategic Plan, and directly supports Goal Three, which calls for a... "multimodal transportation network that supports sustainable land use and provide internal mobility and regional connectivity for Alexandrians." Capital Bikeshare is also consistent with the Council adopted Complete Streets Policy, stating that... "the City of Alexandria shall incorporate Complete Streets infrastructure into existing public streets to improve the safety and convenience of users and construct and enhance the transportation network for all users." The Capital Bikeshare program is also consistent with the 2008 Transportation Master Plan, with a major objective to..."increase the number of bicycle-transit trips."

In October 2011, the City Council authorized the City to join the regional Capital Bikeshare program as pilot program that would expand when additional funding is available. Following approval of the pilot program,

City Council requested that staff provide a report after one year of program operations.

### **DISCUSSION:**

Over the last three years, Capital Bikeshare has seen tremendous growth. The system has had over 5 million rides, a growth of over 100 stations, and according to the 2012 member survey, a cumulative reduction in 4.4 million vehicle miles traveled among members. Due to demand for new stations, Arlington County, which began with 14 stations in Crystal City in 2010, has added 48 new stations. Montgomery County, which launched with 14 stations and will be adding 27 this fall, and the District of Columbia has added over 50 stations. Alexandria has obtained federal funding to increase the number of stations in the City, from eight to 16, in the winter of 2013-2014, expanding into the Carlyle and Del Ray neighborhoods.

In 2012, Capital Bikeshare completed a member survey, revealing that on average, each Capital Bikeshare member in the region saves about \$800 per year on personal transportation costs as a result of their bikeshare use, with a collective savings of \$17.8 million. The survey also found that Capital Bikeshare induces trips, with over 60 percent of respondents stating that they would have not made a trip because it was too far to walk, so bikeshare broadened their travel destination options. Capital Bikeshare is also important for users to reach Metrorail, with over half of respondents stating that at least one of the bikeshare trips they made last month started or ended at a Metrorail station, and a quarter of respondents said they used Capital Bikeshare to access bus service in the past month. Capital Bikeshare helps to take vehicle trips off the road, with 50 percent of respondents stating that they drove a car less often since joining Capital Bikeshare.

Capital Bikeshare has been very popular with residents and visitors to Alexandria, with over 20,000 trips, over 450 annual members and over 2,600 short-term memberships in the first year of operation. By comparison, Arlington has 2,256 annual members, and has been operating for three years and has 62 stations. Alexandria trips have steadily increased, with over 800 more trips per month in August 2013 in comparison to September 2012. The average duration of trip in Alexandria is 22 minutes, and the King Street Metrorail station is the busiest Capital Bikeshare station in Alexandria. Attachment 1 provides more detail about Alexandria's first year of bikeshare performance.

### *Planned Bikeshare Expansion*

At the current time, federal funding has been requested and obtained to add eight stations in FY 2014, for a total of 16 stations, see Attachment 2 for station locations. Additional grant funding in FY 2014 and FY 2015 for expansion beyond 16 stations (locations to be determined) can provide 12-16 additional stations in the City, for a total of 28-32 stations. While grants have been secured for the capital costs of expansion beyond the 16 stations, operating funding will need to be considered through the City's FY 2015 operating and TIP budget planning and approval processes.

### *Cost Recovery*

When initial budgets were prepared for Capital Bikeshare in Alexandria, staff conservatively estimated a 30 percent cost recovery from memberships and user fees in the first year, increased cost recovery in year two with a full cost recovery in the third year of operation. After one year of operations, cost recovery has greatly exceeded initial expectations, with cost recovery reaching 72 percent. Cost recovery is calculated by dividing revenues received from membership and user fees by the expenses to operate the system, and does not include the capital expenses of purchasing stations and bikes. Capital Bikeshare is comparable to other services provided by the city that do not reach full cost recovery but provide a public service, such as the city recycling program and DASH. By comparison, DASH achieves 30 percent cost recovery, the remainder of which is covered by City TIP funding. On a per trip basis the average bikeshare trip subsidy in the City has been \$2.63 per trip which is comparable to the City's DASH per trip bus subsidy. Attachment 3 details Alexandria's

## Capital Bikeshare cost recovery by month.

As Alexandria expands its Capital Bikeshare network outside of Old Town, into less densely populated areas, we should expect that cost recovery will not be as aggressive since much of the revenue in Old Town has come from short-term memberships, which are largely tourists. Partner jurisdictions such as Arlington County found that cost recovery in FY 2013 decreased from 64 percent to 61 percent when their system expanded outside the Metrorail corridors, where population and employment density is lower. Like any public transit system, there are often areas that do not see the same cost recovery, but from a public policy perspective are important to serve.

When Capital Bikeshare expansion into Alexandria was first contemplated, using federal CMAQ funds to cover operating costs was planned. A subsequent policy change at the federal government level eliminated that as a funding option. City staff subsequently reviewed other funding possibilities to cover bikeshare operating subsidies before developing a subsidy funding plan using City Transportation Improvement Plan (TIP) funding. In FY 2012, City Council approved funding equal to 2.2 cents on the base real estate tax rate and additional General Fund cash capital to create the TIP. The purpose of the TIP is to expand transportation infrastructure and transit options throughout the City. The current TIP plan included sufficient monies to fund the Capital Bikeshare operations through FY 2017, when it was contemplated that bikeshare could be fully self-sufficient. Since it appears, like public transit service, bikeshare will require a regular ongoing operating subsidy, it is proposed that City TIP monies planned for future bikeshare capital expansion be reallocated, as well as a portion of unspent TIP funds, to cover bikeshare operating costs and that any future capital costs of bikeshare expansion be funded with federal CMAQ funds. This would be the long term funding plan which like other City services would be reviewed as part of every annual operating and TIP budget planning and approval processes.

### **FISCAL IMPACT:**

In the first year of operation, the operating subsidy for the existing 8 stations was \$57,363. When that is expanded to 16 stations in FY 2014, the annual operating subsidy cost is projected to be around \$159,000. During the FY 2015 budget process, expanding bikeshare in Alexandria from 16 stations to between 28 and 32 stations will be considered, with the added operating cost for this expansion at about \$160,000. Therefore, with a total of between 28 and 32 stations, the annual operating subsidy would be about \$319,000. Staff is currently not proposing an increase in TIP funding for bikeshare. To fund the operating subsidy, federal grants can be used to fund expansion of bikeshare, and \$1,275,000 in existing TIP funding for expansion of bikeshare can then be transferred to the TIP operating subsidy for bikeshare. The remaining \$1,410,000 needed for the operating subsidy can come from existing unspent TIP funds from the Holmes Run Greenway project, which is less expensive than originally estimated due to VDOT hydraulic requirements for Holmes Run. It should be noted that any further expansion beyond 32 stations would only occur after a review of usage and costs for bikeshare operations.

### **ATTACHMENTS:**

- Attachment 1: Capital Bikeshare in Alexandria - Year 1
- Attachment 2: Proposed FY 14 Capital Bikeshare Station Expansion Locations
- Attachment 3: Capital Bikeshare Cost Recovery in Alexandria

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