

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 27, 2016

To: Honorable City Council  
c/o City Clerk, Room 395  
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds,  General Manager  
Department of Transportation

Subject: **BIKESHARE PROGRAM EXPANSION**

**SUMMARY**

On September 30, 2015, the City entered into a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro) for the implementation of a bike share program in Downtown Los Angeles (C.F. 15-0985). The Los Angeles Department of Transportation (LADOT) requests to amend the original MOU in order to extend the bike share services for additional years and to additional areas of the City not contemplated in the original agreement. Specifically, new areas in the West Los Angeles region will be added service areas in the amended MOU. The addition of service areas will result in additional operations and maintenance costs to the City annually, including an estimated \$385,000 in 2016-17. The term of the MOU, which is two years (September 2015 to September 2017) is requested to be extended for an additional 3 years ending in September 2020.

**RECOMMENDATIONS**

That the City Council, subject to approval of the Mayor:

1. AUTHORIZE the General Manager of the LADOT to amend the MOU between the City of Los Angeles and Metro that dictates the terms of the program; and
2. EXTEND the Pilot Program MOU from the original two years to five years by adding an additional three years to the term; and
3. TRANSFER AND APPROPRIATE \$384,983 within the Measure R Local Return Fund No. 51Q from Account 94N482 (Bicycle Plan/Program) to Account 94MM02 (Bike Share Operations and Maintenance) for the additional bike share operations and maintenance costs supporting Program expansion; and
4. AUTHORIZE the General Manager of the LADOT to execute future MOU amendments for system efficiencies resulting in no net increase to program budget; and
5. AUTHORIZE the City Administrative Officer to make technical corrections as necessary to the transactions included in this report to implement the Mayor and City Council's intention.

**DISCUSSION**

On August 18, 2014, the City and Metro were awarded the Metro ExpressLanes Net Toll Reinvestment Grant to implement a bike share pilot program. The original grant application recommended 65 bike share stations in Downtown Los Angeles for a total cost of \$3,782,892. On April 16, 2015, the City requested to rescope and reprogram former CRA projects Metro Call for Projects F3510 and F5523

grants for a total cost of \$2,906,126. The total available funding \$6,689,018 was used to purchase a total of 82 stations.

The Bike Share Program launched in Downtown Los Angeles on July 7, 2016 with a total of 61 bike share stations installed to date. Four additional stations will be installed in Downtown Los Angeles when the contractor returns to Los Angeles in July 2017. These four stations were not installed during the first installation phase due to conflicts with ongoing construction projects.

September 30, 2016, marked the end of the first quarter of program operations. In the first quarter, 2,000 annual flex or monthly pass holders and 18,000 walk up users patronized the system. During this period, over 56,000 rides were logged with an average utilization rate of one ride per bike per day. As of October 27, 2016, the number of rides has increased to over 70,000 cumulative. The first months of the Metro Bike Share program have shown steady growth and strong indication of overall program health.

The success of the Downtown Los Angeles launch and the program's popularity justify continuing bike share transportation services in Downtown Los Angeles as well as expanding the service to West Los Angeles communities. Program expansion to West Los Angeles was identified through Metro's Regional Bike Share Implementation Plan which identified bike share feasibility through an analysis of 'bikeshare readiness' factors. West Los Angeles ranked strongly due to the high densities, existing bikeway network, and community support for the program.

For program expansion to West Los Angeles to be successful, it is necessary to work toward interoperability with Santa Monica's Hulu system, the system owned by the City of Santa Monica. The letter of agreement (LOA) [Attachment A] between the City and Santa Monica signed on February 10, 2016, memorializes the efforts of both Cities to co-locate bike share stations where appropriate once both systems are fully operational within adjacent service areas. On August 9, 2016, a MOU [Attachment B] for the operations of bike share within the City of Los Angeles was established between the City and Santa Monica allowing up to five stations from the City of Santa Monica system to be installed on City of Los Angeles Right-of-Way.

Of the 82 bike share stations funded through the grant, 15 of these stations would be placed in West Los Angeles under the amended MOU, with an anticipated launch date in summer 2017. Ten of these stations would be located around the Venice community with up to five stations in the City of Santa Monica. Station locations in the City of Santa Monica will be negotiated with the City of Santa Monica staff to create a user-friendly system across jurisdictional lines with first/last mile connections to transit and key destinations. The increase in costs is associated with the geographical expansion of service area and not to the number of bike share stations.

In the future, LADOT is planning for expansion into additional neighborhoods. Bike share expansion to Hollywood will be funded through the Mobility Hubs Project with a tentative launch date of FY 2018-19. Expansion to USC and surrounding communities may be funded through a grant application submitted to the Active Transportation Program (ATP) Cycle 3. Funding awards will be announced in winter 2017 with a tentative launch date of FY 2019-20.

#### **FISCAL IMPACT**

To date, \$3,214,489 has been appropriated for anticipated Bike Share Operations and Maintenance costs (\$875,811 in the Local Transportation Fund, \$203,898 in Measure R, and \$2,134,780 in Proposition A). Per the MOU (C-127318) between the City of Los Angeles and Metro, capital costs are split with the City of Los Angeles paying 50% and Metro paying 50%. The net operating and maintenance costs are

also split between the City of Los Angeles and Metro with the City paying 65% and Metro paying 35%. The request of \$384,983 for FY 2016-17 will cover the enhanced marketing expenses in Downtown Los Angeles and startup operation costs for West Los Angeles launch expected in summer 2017.

These are conservative cost estimates as they assume 0% farebox recovery. Bike share programs around the United States, on average, recover 60% farebox revenues after launch and the expectation is that the system will move in this direction. User generated funds will be reinvested into operations and maintenance of the system. Funding beyond FY 2017-18 will be requested through the budget process.

SJR: mp

Attachments



ATTACHMENT A

**CITY OF LOS ANGELES**

CALIFORNIA



**ERIC GARCETTI**  
MAYOR

DEPARTMENT OF TRANSPORTATION  
100 South Main Street, 10th Floor  
Los Angeles, California 90012  
(213) 972-8470  
FAX (213) 972-8410

**CITY OF SANTA MONICA**

CALIFORNIA



**RICK COLE**  
CITY MANAGER

OFFICE OF THE CITY MANAGER  
1685 Main Street, Suite 209  
Santa Monica, CA 90401  
310.458.9301  
FAX 310.917.6640

February 10, 2016

Honorable Antonio Vazquez, Mayor  
City of Santa Monica  
1685 Main Street  
Santa Monica, CA 90401

Honorable Eric Garcetti, Mayor  
City of Los Angeles  
200 N. Spring Street  
Los Angeles, CA 90012

**Subject: BIKE SHARE STATION SITING LETTER OF AGREEMENT**

Dear Mayors Vazquez and Garcetti:

This letter is to memorialize a conceptual agreement between the cities of Santa Monica and Los Angeles in regard to making a good faith effort to co-locate our bike share systems where appropriate and possible once both systems are fully operational within adjacent service areas.

The City of Santa Monica has launched its system and is working on a Memorandum of Understanding with the City of Los Angeles to govern responsibility for the stations that are planned for location in Venice and potentially other adjacent Los Angeles neighborhoods. In the coming months, the City of Los Angeles will be launching the first phase of its bike share system in Downtown LA. Our two cities have selected different vendors with dissimilar hardware, software, and user interfaces. In the first year, the two systems will not physically meet, however users of the systems will know no geographic bounds. The Expo Line will facilitate travel from Downtown to Santa Monica, with bike share supporting the first and last mile connections on each end. In the future, the systems may expand, and the cities will strive to work towards interoperability.

The Cities of Los Angeles and City of Santa Monica pledge to work together to mitigate confusion and create a seamless user experience.

The following principles outline the two cities' agreement to collaborate on bike share efforts:

1. Station placement should strive to balance visibility and user-friendliness with other needs on the street such as pedestrian accessibility on sidewalks, utility access, parking and loading. Cities agree to first review locations that would not remove parking or loading and facilitate discussions with private property owners as appropriate. Where on-street parking loss is needed, cities will strive to minimize parking loss.
2. Station size is flexible and modular for both systems. When sizing and placing the stations, considerations will include user demand, operator efficiency, available space and the successful functionality of both bike share systems.
3. "Co-locating" stations does not necessarily mean that the stations must be directly adjacent. Rather, to give the operator and city staff maximum flexibility in placement, stations may be up to one block away from each other. Given that the technologies are somewhat unknown at this point, the exact method of achieving "inter-operability" may dictate station distance.
4. As much as possible, we will strive to site stations that create a seamless experience for users who transfer between systems by working to accommodate stations that optimize station networks for each of the systems so that they function appropriately.

The following signatures attest to our good faith intent to work toward compatible and inter-operative bike share systems for the regional public benefit.

Sincerely,



Seleta Reynolds, General Manager  
Los Angeles Department of Transportation



Rick Cole, City Manager  
City of Santa Monica

MEMORANDUM OF UNDERSTANDING  
FOR THE OPERATION OF BIKE SHARE WITHIN THE CITY OF LOS ANGELES

THIS MEMORANDUM OF UNDERSTANDING FOR THE OPERATION OF BIKE SHARE WITHIN THE CITY OF LOS ANGELES ("MOU"), dated Aug. 9, 2016 ("Effective Date") is by and between CITY OF SANTA MONICA ("City of SM") and THE CITY OF LOS ANGELES ("City of LA") acting through its DEPARTMENT OF TRANSPORTATION ("LADOT").

WHEREAS, the City of LA and City of SM desire that the City of Santa Monica will provide stations for the Breeze Bike Share program within the City of Los Angeles as an important component of facilitating increased bicycle use regionally and decreased reliance on single occupancy vehicles; and

WHEREAS, the Los Angeles City Council, on December 28, 2012, adopted a motion to establish the development of a "pilot program" for the development of Bike Share in the City of Los Angeles; and

WHEREAS, the City of SM and City of LA seek to enter into a cooperative arrangement to allow the City of SM to install Bike Share facilities in the public rights of way within certain designated locations within the Venice area of the City of Los Angeles to facilitate the public use of Bike Share between the City of Los Angeles and the City of Santa Monica.

NOW, THEREFORE, City of SM and LADOT hereby agree as follows:

**ARTICLE 1 - GRANT OF PERMIT**

1.1 **Location of Bike Share Kiosks.** City of SM and City of LA shall meet and confer in good faith, within fifteen (15) days of the full execution of this MOU, but no later than August 19, 2016, to determine the mutually acceptable locations of no less than five (5) Bike Share Kiosks (as defined below) within the public rights of way in the Venice area of City of Los Angeles ("Designate Locations").

1.2 **Use of Public Rights of Way.** Upon the mutual determination of the Designated Locations, the LABOE shall issue an A Permit, conferring upon the City of SM and its Bike Share operators and contractors, the right to revocable, non-possessory use of the Designated Locations to install, operate, and maintain the Bike Share Kiosks, subject to the terms of this MOU. For purposes herein, "Bike Share Kiosks" means bicycle sharing system hubs owned by the City of Santa Monica, with associated bike racks, electronic kiosks, small map signs, and protective equipment such as bollards.

1.3 **Non-Interference with City of SM Bike Share Operations.** The City of LA understands, acknowledges and agrees that notwithstanding anything to the

contrary herein, nothing in this MOU shall be deemed or interpreted to require the City of SM to operate its Bike Share system in any manner other than that approved by the Santa Monica City Council, and that City of SM has no obligations, financial or otherwise, to appropriate any monies to operate the City of Santa Monica Bike Share system within the City of Los Angeles, or to provide any of its Bike Share equipment, including, without limitation the Bike Share Kiosks, to or for the benefit of the City of Los Angeles, it being understood by the City of LA and the City of SM that this MOU is strictly for the convenience of both parties.

## ARTICLE 2 – TERM

2.1 **Term.** The term of this MOU shall commence on the Effective Date and shall terminate seven (7) years from the Effective Date, unless earlier terminated in accordance with this MOU or extended in writing by the parties to this MOU.

## ARTICLE 3 - USE OF DESIGNATED AREA

3.1 **Permitted Uses.** The City of Santa Monica shall have the right to use the Designated Locations as follows:

For the installation of a bicycle sharing system hub with associated bike rack, electronic kiosk, small map sign, and bicycles connected to (i.e. locked to) the bike rack, with the kiosk being solar-powered and the kiosk using cellular communication (both of which obviate the need for electrical or communications conduit and wired connections). It is anticipated that users of the Bike Share system will travel onto the property located as described above and interact with the bicycle in order to release it from the bike hub so that the user may ride the bicycle to another bike hub at a different location.

3.2 **Permitted Uses Subject to Emergency.** Notwithstanding anything to the contrary in this MOU, in the event of emergency, as reasonably determined by City of LA, the City of LA shall notify the City of SM of said emergency as soon as possible and the City of LA may immediately remove any of the Bike Share Kiosks from the public rights of way as required by said emergency. City of LA shall take reasonable precautions to avoid damage or destruction to the Bike Share Kiosks if City of LA undertakes to remove the Bike Share Kiosks due to an emergency. City of SM shall reimburse City of LA for any direct costs incurred by City of LA to remove any of the Bike Share Kiosks from the public rights of way as required by said emergency.

3.3 **Prohibited Uses.** The City of SM agrees that the following uses are not permitted uses and are strictly prohibited:

Installing any structures in the public rights of way other than those structures specifically authorized by the A Permit issued by the LADOT for each of the Designated Locations.

Allowing commercial advertising and sponsorship on non-moving property within the public rights of way, including on Kiosks and all stationary station equipment

3.4 **Time of Use.** The use of the Designated Locations shall be at the following times and days of the week: automated and operated 24/7, 365 days per year except for periods of maintenance and special conditions that might arise which would preclude access to the Bike Share Kiosks.

3.5 **Responsibilities of City of SM.** The City of SM shall be responsible for the following as it pertains to the use:

City of SM shall be responsible for all required maintenance and upkeep of the Bike Share Kiosks from and after the date of installation. Without limiting the generality of the foregoing, City of LA acknowledges, understands and agrees that the Bike Share Kiosks will be installed, maintained and operated by the City's designated operator, CycleHop, in accordance with that certain Bike Share Program Agreement attached hereto and incorporated herein by this reference as Attachment A unless terminated in accordance with the Bike Share Program Agreement.

3.6 **Right to Inspect.** The City of LA shall have the right, but not the obligation, to make periodic inspections of Bike Shake Kiosks in the public rights of way, at the City of LA's sole discretion and cost, as conditions may warrant.

3.7 **Emergency Response Plan.** Prior to the Commencement Date, City of SM shall provide the LADOT a current emergency response plan identifying staff with authority to receive or resolve problems or complaints resulting from placement or use of the Bike Share Kiosks. The Bike Share Kiosks shall include postings with designated contact information in case of a problem or complaint.

3.8 **Utility Services.** Each Bike Share Kiosk installed in the public rights of way shall be self-contained and provide its own power source either via solar panel or battery operation. Should the City of SM determine at a later date that utility services are necessary or appropriate, the City of SM must receive written approval by the City of LA and may be subject to additional permitting requirements as well as approval by the appropriate public utility agencies.

#### **ARTICLE 4 - CONSIDERATION**

4.1 **Compensation to City of LA.** As total consideration for its use of the Designated Locations, City of SM shall pay to City of LA: Total amount not to exceed ZERO DOLLARS (\$0).

4.2 **Compensation to City of SM.** As total consideration for its use of the Bike Share Kiosks, the City of LA shall pay to the City of SM: Total amount not to exceed ZERO DOLLARS (\$0).

## ARTICLE 5 - INDEMNIFICATION

5.1 Pursuant to Government Code Section 895.4 and 895.6, CITY OF SM and CITY of LA shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by any negligent or wrongful act or omission occurring in the performance of this Agreement.

5.2. CITY OF SM and CITY of LA indemnifies and holds harmless the other party for any loss, costs, or expenses that may be imposed upon such other party by virtue of Government Code section 895.2, which imposes joint civil liability upon public entities solely by reason of such entities being parties to an agreement, as defined by Government Code section 895.

5.3 In the event of third-party loss caused by negligence, wrongful act or omission by both parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

## ARTICLE 6 - INSURANCE

6.1 **Insurance.** City of SM, at its sole cost and expense, shall obtain, keep in force, and maintain insurance as follows:

A. Commercial Form General Liability Insurance (contractual liability included) with minimum limits as follows:

1.	Each Occurrence	\$1,000,000
2.	Products/Completed Operations Aggregate	\$2,000,000
3.	Personal and Advertising Injury	\$1,000,000
4.	General Aggregate	\$2,000,000

If the above insurance is written on a claims-made form, it shall continue for three (3) years following termination of this MOU. The insurance shall have a retroactive date of placement prior to or coinciding with the commencement of the Term of this MOU.

B. Business Automobile Liability Insurance for owned, scheduled, non-owned, or hired automobiles with a combined single of not less than one million and no/100 dollars (\$1,000,000) per occurrence.

C. Property Insurance, Fire and Extended Coverage Form in an amount equal to one hundred percent (100%) of the full replacement value of the bicycle sharing system hub with associated bike rack, electronic kiosk, small map sign, and bicycles connected to (i.e. locked to) the bike rack, with the kiosk being solar-powered and the kiosk using cellular communication.

D. Workers' Compensation as required by CA law.

The coverages required herein shall not limit the liability of Licensee.

The coverages referred to under A. and B. of this Section 6.1 shall include The City of LA as an additional insured. Such a provision shall apply only in proportion to and to the extent of the negligent acts or omissions of Licensee, its officers, agents, partners and employees. Licensee, upon the execution of this MOU, shall furnish LADOT with certificates of insurance evidencing compliance with all requirements. These requirements can be met using a combination of self-insurance and pooled insurance. Certificates shall provide for thirty (30) days (ten [10] days for non-payment of premium) advance written notice to LADOT of any material modification, change or cancellation of the above insurance coverages.

In addition to the above, the LADOT shall be listed as the Certificate Holder on the certificate of insurance.

6.2 **Waiver of Subrogation.** City of SM hereby waives any right of recovery against City of LA due to loss of or damage to the property of Licensee when such loss of or damage to property arises out of an act of God or any of the property perils included in the classification of fire or extended perils ("all risk" as such term is used in the insurance industry) whether or not such perils have been insured, self-insured, or non-insured.

## **ARTICLE 7 - NOTICE**

7.1 **Notice.** Except as otherwise expressly provided herein, any notices given under this MOU shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides

a receipt therefore, with postage prepaid, addresses as follows (or such alternative address as may be provided in writing).

Notices shall be addressed as follows, unless one party notifies the other part of a different primary contact:

If to the City of Los Angeles:                   LADOT Bike Share Permits  
100 S. Main Street, 9<sup>th</sup> floor  
Los Angeles, CA 90012

If to the City of Santa Monica:               City of Santa Monica  
1685 Main Street, Room \_\_\_\_\_  
Santa Monica, California 90401  
ATTN: Bike Share Coordinator

### ARTICLE 8 – TERMINATION

8.1 **Termination**. This MOU may be terminated at the convenience of either the City of LA or the City of SM upon giving sixty (60) days' written notice, unless sooner notice is otherwise required due to exigent circumstances.

### ARTICLE 9 – MISCELLANEOUS PROVISIONS

9.1 **Effective Date and Modification**. This MOU is effective upon the date of execution by the parties to this MOU. This MOU shall not be modified except by written instrument executed by the City of SM and the LADOT at the time of modification. Such modifications shall be effective upon the date of execution and may be recorded.

9.2 **Governing Law**. The interpretation, validity, and enforcement of this MOU shall be governed by and interpreted in accordance with the laws of the State of California. Any action, cause of action, lawsuit, claim, or legal proceeding of any kind related to or arising under this MOU shall be filed and heard in a court of competent jurisdiction in the County of Los Angeles.

9.3 **No Limitations on City's Police (or Authorized) Powers**. Nothing herein is intended to, nor does, limit the City of LA's police power, nor limit the ability of the City of LA, and/or its authorized agents, employees, and/or contractors from taking any and all actions authorized under Federal, State, or local law.

9.4 **No Waiver**. No failure by either party to this MOU to insist on the strict performance of any obligation of the other party under this MOU, or to exercise any right, power, or remedy arising out of a breach hereof, shall constitute a waiver of such breach or of either party's right to demand strict compliance with any terms of this MOU.

No acts or omissions by either party to this MOU, or any agents of either party to this MOU, shall waive any or all of either party's rights under this MOU.

9.5 **Complete MOU.** This MOU represents the complete understandings and agreement of the parties and no prior oral or written understandings are in force and effect.

9.6 **Headings.** The headings in this MOU are for reference and convenience of the parties and do not represent substantive provisions of this MOU.

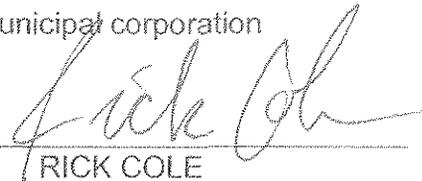
**IN WITNESS WHEREOF,** the parties have executed this MOU as of the date first written above.

LICENSEE:

CITY OF SANTA MONICA  
a municipal corporation

ATTEST:

  
DENISE ANDERSON-WARREN  
City Clerk

By:   
RICK COLE  
City Manager

Date: Aug. 9, 2016

APPROVED AS TO FORM:

  
MARSHA JONES MOUTRIE  
Santa Monica City Attorney

  
MICHAEL NAGLE  
Los Angeles City Attorney

LADOT:

LOS ANGELES DEPARTMENT OF  
TRANSPORTATION

By: 

Date: 7.13.16



ATTACHEMENT C

BIKE SHARE OPERATIONS AND MAINTENANCE FUNDING/EXPENDITURE PLAN

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	TOTAL
<i>ORIGINAL MOU</i>					
<b>ANTICIPATED EXPENDITURES</b>					
Downtown LA	\$3,214,489				
<b>Total</b>	<b>\$3,214,489</b>				
<b>BUDGETED FUNDS</b>	<b>\$3,214,489</b>				
<b>BALANCE OF FUNDS</b>	<b>\$0</b>				
<i>REQUESTED MOU AMENDMENT</i>					
<b>ADDITIONAL ANTICIPATED EXPENDITURES</b>					
West LA	\$368,820	\$222,230	\$226,626	\$233,038	\$1,050,714
Downtown LA	\$16,163	\$977,789	\$993,931	\$1,018,684	\$3,006,567
<b>Total</b>	<b>\$384,983</b>	<b>\$1,200,019</b>	<b>\$1,220,557</b>	<b>\$1,251,722</b>	<b>\$4,057,281</b>
<b>FUNDING REQUIRED</b>	<b>\$384,983</b>	<b>\$1,200,019</b>	<b>\$1,220,557</b>	<b>\$1,251,722</b>	<b>\$4,057,281</b>

