



## Request for City Council Committee Action From the Department of Public Works

**Date:** January 27, 2009

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Subject:** **Bike Walk Twin Cities (Non-Motorized Transportation Pilot Project) Bike Sharing Proposal**

**Recommendation:**

Authorize Public Works staff to submit the Bike Share proposal to Transit for Livable Communities and reconfirm that the City agrees to serve as a fiscal agent, as well as direct Public Works and CPED staff to continue to work toward project development for this federally funded project.

**Previous Directive:**

- December 2, 2008 – Authorized acceptance of one Round 2 grant award, submittal of a bike sharing letter of intent, and a framework for development of Round 3 projects

**Prepared by:** Jon Wertjes, P.E., PTOE, Director of Traffic & Parking Services, 673-2614  
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Bob Lind, CPED Manager of Business Financing, 673-5068

**Approved by:**

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Steven A. Kotke, P.E., City Engineer, Director of Public Works

**Presenter:** Shaun Murphy / Bob Lind

**Reviews**

Permanent Review Committee (PRC):	Approval	<b>NA</b>	Date
Civil Rights Affirmative Action Plan	Approval	<b>NA</b>	Date
Policy Review Group (PRG):	Approval	<b>NA</b>	Date

**Financial Impact** (Check those that apply)

No Financial Impact

**Community Impact**

Neighborhood Notification: Not Applicable  
City Goals: Satisfies multi-modal transportation goals  
Comprehensive Plan: Not Applicable  
Zoning Code: Not Applicable

## **Background/Supporting Information**

On December 12, 2008 the City Council passed the following action related to a potential bike sharing proposal:

“That Public Works staff be authorized to submit a "*Letter of Intent for Capital Projects as Demonstration Innovations*" to TLC for the Bike Share Program for an amount of \$1,750,000.

- The City of Minneapolis will not be an owner of the bike share now or in the future;
- The City of Minneapolis will not provide ongoing operating expenses for a bike share program. However, this provision would not prohibit the City from providing subscriptions for City Employees nor prohibit participation in wellness programs for City Employees;
- The City of Minneapolis recommends that Transit for Livable Communities, in the event that NTP funds are directed to the bike share program, establish a threshold amount of operating funds to be secured for the program for start up, before releasing capital funds;
- The City of Minneapolis recommends that Transit for Livable Communities establish a match structure if NTP funds are allocated to the bike share program and that the NTP funds will only be released if matching funds are secured. Match structure is defined as private sector contributions of at least 25% of capital dollars;
- The City of Minneapolis recommends that the proposed bike share providers be required to plan and implement a comprehensive community outreach program to build community support and membership if NTP funds are allocated to the program.”

Since that time CPED and the City of Lakes Nordic Ski Foundation have begun work on the final item. Three public meetings have been scheduled in February to build community support and membership. See Attachment A for the Bike Share Public Meetings flyer.

In the meantime, Transit for Livable Communities (TLC) received 16 letters of intent for innovative demonstration projects. TLC narrowed the field to four projects:

- Free Bike Giveaway, Sibley Bike Depot & City of St. Paul, St. Paul
- Bike Station and Bike Tracking System, University of Minnesota, Minneapolis
- Bike Station, Hennepin County Government Center, Minneapolis
- Public Bike Sharing Program, City of Lakes Nordic Ski Foundation & City of Minneapolis, Minneapolis

The attached January 5, 2009 letter was received from TLC indicating that the Minneapolis bike sharing project had been selected for further development. See Attachment B for this letter. A full proposal is due on February 18, 2009.

## **TLC Requirements**

The January 5 TLC letter requests that the proposal address the following eight items, as referenced on page 1 of Attachment B. Public Works, CPED, and City of Lakes Nordic Ski Foundation are working to fulfill these requirements:

<b>TLC Requirement</b>	<b>Completed</b>	<b>In Progress</b>
1. Description of anticipated operating and start-up costs and how the funds will be secured	Provided in full business plan (pages 36-48)	Securing the funds for private partner contributions
2. Description of comprehensive community outreach program to build community support and membership	Scheduled 3 public meetings in February	Developing comprehensive plan to gain community buy-in
3. Modal shift potential based on actual results from other cities including Paris, Lyons, and Oslo		Researching mode shift results from other bike sharing cities
4. Demonstration of demand: Evidence that Minneapolis residents and visitors can be expected to utilize this program in a significant way	Surveyed U of M community	Surveying of other residents and visitors
5. Theft or vandalism mitigation efforts, should either become a problem	Conducted research on bike sharing systems with varying rates of theft and vandalism	Researching enforcement efforts
6. Program sustainability and longevity in terms of anticipated on-going financial support if project is not self-supporting	Began discussions with City of Minneapolis staff	Establishing procedures in the event that the project is not self-supporting
7. Rationale of instituting bike-sharing program ahead of infrastructure improvements/public education (is Minneapolis best poised for bike-sharing in 2009?)	Entered negotiations with private sponsors, which requires a 2009 opening	Reviewing and updating the anticipated opening dates for the other NTP infrastructure/public education projects
8. Discussion of risk management or liability issues	Researched costs associated with liability coverage	Understand and develop appropriate contract provisions

Additionally, TLC has requested that the proposal provide details on two further items as noted table below:

TLC Requirement	Completed	In Progress
Proposed policy changes and/or awareness campaigns to enhance project (1/5/09 letter item VI)	<p>Draft of ideas generated as follows:</p> <p><u>Potential Policy Changes</u></p> <ul style="list-style-type: none"> <li>• Explicitly allow City employees to use bicycles for work-related purposes</li> <li>• Institute Bicycle Commuter benefit for City employees</li> </ul> <p><u>Potential Awareness Campaigns</u></p> <ul style="list-style-type: none"> <li>• Bike Walk Ambassador and TLC media outreach</li> <li>• Utility bill inserts on various bike-walk items</li> <li>• Police enforcement campaigns publicized in the media</li> <li>• Marketing materials to promote biking in bike share coverage area and beyond</li> <li>• Tourist materials to promote bike sharing in Minneapolis</li> </ul>	Soliciting input on ideas and conducting subsequent research
Documentation of funding eligibility by MnDOT and FHWA (1/16/09 TLC email)		Meeting to be scheduled by TLC with MnDOT and FHWA week of January 26

**Responsibilities of a Fiscal Agent**

FHWA and MnDOT will seek a government agency fiscal agent (in this case the City of Minneapolis) to receive and pass through funds as well as oversee the non-profit bike share operator. Currently, the City of Minneapolis successfully serves as a fiscal agent for both the Downtown Minneapolis Transportation Management Organization (TMO) and Transit for Livable Communities (TLC). In the latter case, this pertains only to TLC’s work as it relates to administrative efforts on the federal Non-Motorized Transportation Pilot Project.

If TLC ultimately awards bike share funding to the City, the City of Minneapolis would need to enter into contracts with both MnDOT and the non-profit, establishing contract terms for a successful bike sharing project. The contracts would also include responsibilities, liability, insurance, and other necessary provisions to ensure federal, state, and city compliance with use of federal funds.

**Project Timeline**

Public Works has further researched the process required by MnDOT and FHWA to establish a bike sharing project. This process will have many steps which may result in a 6 month development time frame from the date the TLC award is granted. TLC is expected to grant

awards in March. Questions have been raised by CPED and the City of Lakes Nordic Ski Foundation regarding the project feasibility if it cannot begin or open by mid-summer 2009. Private sponsorship dollars may be at risk if the project does not begin or open in 2009.

Thus Public Works has explored two proposed timelines as detailed below. Further refinement and confirmation of these timelines are needed with all parties.

**Proposed Timeline 1: July 15<sup>th</sup>, 2009 Project Opening**

<b>Proposed Date</b>	<b>Milestone</b>
February 28 <sup>th</sup>	Establish Process for Selecting Entities to Launch/Operate Bike Sharing
March 3 <sup>rd</sup>	Receive NTP Award
March 15 <sup>th</sup>	Submit Project Memo to MnDOT
April 1 <sup>st</sup>	Project Memo Approved by MnDOT
April 15 <sup>th</sup>	Receive Authorization to Proceed by MnDOT/FHWA
April 24 <sup>th</sup>	City Council Authorizes Contract Negotiation between City & MnDOT
May 1 <sup>st</sup>	Enter into Contract between City & MnDOT
May 20 <sup>th</sup>	Choose the Entities to Launch/Operate Bike Sharing
June 1 <sup>st</sup>	Enter into Contract with Bike Sharing Entities
June 10 <sup>th</sup>	Pre-Award Audit Completed by MnDOT
June 12 <sup>th</sup>	City Council Authorizes Bike Sharing Entity Contracts
July 15 <sup>th</sup>	Bike Sharing Infrastructure Delivered

**Proposed Timeline 2: May 1<sup>st</sup>, 2010 Project Opening**

<b>Proposed Date</b>	<b>Milestone</b>
February 28 <sup>th</sup>	Establish Process for Selecting Entities to Launch/Operate Bike Sharing
March 3 <sup>rd</sup>	Receive NTP Award
April 15 <sup>th</sup>	Submit Project Memo to MnDOT
May 15 <sup>th</sup>	Project Memo Approved by MnDOT
May 30 <sup>th</sup>	Receive Authorization to Proceed by MnDOT/FHWA
June 12 <sup>th</sup>	City Council Authorizes Contract Negotiation between City & MnDOT
June 30 <sup>th</sup>	Enter into Contract between City & MnDOT
August 15 <sup>th</sup>	Choose the Entities to Launch/Operate Bike Sharing
September 15 <sup>th</sup>	Enter into Contract with Bike Sharing Entities
October 1 <sup>st</sup>	Pre-Award Audit Completed by MnDOT
October 16 <sup>th</sup>	City Council Authorizes Bike Sharing Entity Contracts
May 1 <sup>st</sup> , 2010	Bike Sharing Infrastructure Delivered

**Recommendation**

Public Works and CPED recommend that a proposal for a bike sharing project be forwarded to TLC for their further consideration. Public Works will continue to revise the project timeline to fully determine how long the City/MnDOT/FHWA process will take and CPED will further seek commitments of private sponsorship dollars should the project open in 2009 or 2010 to be effectively included in the proposal.

Attachments:

- A – Bike Share Public Meetings Flyer
- B – TLC Invitation for Further Development of Bike Sharing Proposal