

## Private Sector Bike Share

### RECOMMENDATION(S):

That the Standing Policy Committee (SPC) on Transportation and Transit (T&T) recommend that Council receive this report for the Corporate Record.

### HIGHLIGHTS

- Recently, some micromobility companies have developed a business model where they offer bike share programs in a city, if a jurisdiction allows enough e-Scooters to recover the costs of the bike share program. The extra costs for providing bike share is recovered by the company through the additional e-Scooters. This approach can be used to bring shared bikes to a city without a direct taxpayer subsidy.
- What does this mean to Calgarians? Calgarians may have the option of private sector bike share in their city again.
- Why does this matter? Bike share programs can be a valuable transportation and recreation service for citizens. Shared bikes or e-Bikes can add an additional transportation choice for Calgarians and are better than e-Scooters for different trip types (e.g. longer trips on roadways).
- Administration engaged with several micromobility providers and other municipalities and recognizes that historically bike share programs are publicly funded as they are not profitable for private sector companies to operate. Council has previously directed that any bike share program must be owned and operated by a third party and that The City does not spend public money on bike share infrastructure.
- In contrast, e-Scooter share programs have been profitable for private sector companies. In some jurisdictions, private sector companies have provided bike share without public subsidy in exchange for increased e-Scooter fleets, to off-set the costs of the company providing bikes.
- Permit conditions will be in place that will allow companies to increase their permitted e-Scooter fleet, if they address parking and accessibility concerns caused by e-Scooters (which is the reason for the current e-Scooter cap), and provide one or more of the following: bikes, e-bikes or other approved micromobility devices; provide service in unserved areas, fostering more equitable access and better transportation connectivity for Calgarians; investment in the local economy by locating jobs or research and development services in Calgary. Micromobility companies were engaged and are supportive of this approach to provide bike share.
- There will be two approved private sector micromobility operators in Calgary starting in spring/summer 2021. Each operator will start with 750 e-Scooters. Operators will be selected by a competitive permit process.
- Previous Council Direction: Direct Administration to engage interested micromobility operators that offer bikeshare, with the potential to reintroduce bikeshare at no cost to taxpayer and return to Transportation and Transit committee with potential options or recommendations no later than Q1 2021.
- Strategic Alignment to Council's Citizen Priorities: A city that moves

## **Private Sector Bike Share**

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### **DISCUSSION**

The Canadian cities of Toronto, Montreal and Vancouver currently offer bike share programs. All three Canadian cities provide public subsidies to support the capital and operating costs of the programs. For example, Toronto's bike share system has received over \$25 million in public funds since 2017 for capital, and costs \$2.3 million annually to operate (2018 figure).

Over the past five years, there were several private-sector micromobility companies that operated shared bikes and e-Bikes in cities across North America, including the company Lime operating e-Bikes in Calgary from 2018-2019. Shared e-Bikes were not as popular as e-Scooters in Calgary during the pilot period. However, Shared e-Bikes still had 40,000 unique users and 168,000 trips recorded on 500 e-Bikes during the pilot. Some Calgarians prefer e-Bikes, and e-Bikes resulted in fewer 311s and citizen complaints. Micromobility companies, including those operating in Calgary, moved away from Bikes and e-Bikes over the last few years citing that bikes were not profitable. In contrast, e-Scooters have remained profitable for micromobility companies.

Recently, some micromobility companies have developed a business model where they offer bike share programs in a city, if a jurisdiction allows enough e-Scooters to recover the costs of the bike share program. The extra costs for providing bike share is recovered through the additional e-Scooters. This approach can be used to bring shared bikes in a city without a direct taxpayer subsidy.

Permit conditions will be in place that will allow companies to increase their permitted e-Scooter fleet, if they address parking and accessibility concerns caused by e-Scooters, and provide one or more of the following: bikes, e-bikes or other approved micromobility devices; provide service in unserved areas, fostering more equitable access and better transportation connectivity for Calgarians; and provide investment in the local economy by locating jobs or research & development services in Calgary. These could include offering to undertake technology-based research and development to further improve micromobility services and initiatives.

In addition, The City will retain its existing bike share permitting process to support private sector operators and potential alternate business models.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☒ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☒ Public/Stakeholders were informed
- ☒ Stakeholder or customer dialogue/relations were undertaken

Calgarians were engaged on e-Bike and e-Scooters as part of the 2018-2020 pilot program. In the 2020 January survey, when asked whether they would prefer to use a shared e-Scooter or bike, participants who had used shared micromobility services much more often preferred to use an e-Scooter. They cited preferring e-Scooters because they were more fun, easier to ride and that they preferred not to get sweaty. Those who would prefer to use a bicycle cited choosing to do so because they felt safer riding them, they preferred to ride on the road, the bicycles were easier to ride and because they were faster.

**Transportation Report to  
SPC on Transportation and Transit**

**ISC: UNRESTRICTED  
TT2021-0291  
Page 3 of 3**

**Private Sector Bike Share**

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Private micromobility companies were engaged to understand a preferable way to allow for shared bikes in cities. The approach to permit a higher e-Scooters fleet cap if a company provided bikes, e-Bikes or other micromobility options was accepted by all operators interviewed.

**IMPLICATIONS**

**Social**

Increased transportation options expand citizens' ability to take part in a variety of economic and social activities. Shared micromobility options allow Calgarians and tourists to sightsee, socialize with family and friends, and visit local businesses and attractions.

**Environmental**

The citizen e-Scooter survey results show that a third of e-Scooter trips replace a car trip. E-Scooters and e-Bikes are electrically powered and do not have tail pipe emissions.

**Economic**

Approximately 55% of shared e-Scooter and e-Bike trips ended in Business Improvement Areas (BIA), which feature small local businesses. The shared micromobility companies hired 82 full time, 22 part time, and numerous contract staff in Calgary.

**Service and Financial Implications**

No anticipated financial impact

\$0

Any shared bike or e-Bike programs would be run and funded by a private sector operator. Fees would be collected from additional devices.

**RISK**

There is a risk that no permitted operator wants to provide a shared bike program.

There is the risk that an operator will only bring in shared bikes if The City permits a large increase in e-Scooters. Having a large increase in e-Scooters can cause clutter on the sidewalks and accessibility issues. This risk can be mitigated through working with the companies to scale the number of devices responsibly, and only allowing for extra devices if parking and other issues are resolved or mitigated.

**ATTACHMENT(S)**

None.

Department Circulation

General Manager	Department	Approve/Consult/Inform
Doug Morgan	Transportation	Approve