



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Liza Tamura, City Clerk
Ariana Kennedy, Management Analyst

DATE: December 7, 2010

SUBJECT: Consideration of an Automated Bike Rental Pilot Program to be Located on Public Property

RECOMMENDATION:

Staff recommends that the City Council discuss the policy issues related to establishing a commercial automated bike rental pilot program on public property and provide direction.

FISCAL IMPLICATION:

Staff time will be required to complete the permitting process and assist in preparation of the installation area. The project proponents have proposed a revenue sharing arrangement.

BACKGROUND:

During the April 6, 2010 City Council meeting, Steve Svajian and Todd Loewenstein, of Baiku Bikes, presented (for City Council consideration) a automated bike rental station pilot program to be located in Manhattan Beach near the Pier. Because the Pier and adjacent parking lots are State owned property, for which the City of Manhattan Beach holds a long-term operating and maintenance agreement, the City Council asked that staff investigate issues related to the permitting process that would be required by the State and the Coastal Commission. The City Council also raised concern with the possibility that the rental station may displace parking space at the Pier and the issue of the City granting a private company access to public space for their business.

Staff investigated the permitting requirements of the State and Coastal Commission, discussed the issue of a pilot program with the City Attorney, and met with Mr. Loewenstein and Mr. Svajian to explore location options for a bike rental station that would be least disruptive to current activity at the Pier (please see Attachment E).

DISCUSSION:

During the September 7, 2010 City Council meeting staff and Baiku representatives presented the research that was compiled and answered many questions that were raised at the April 6, 2010 City Council meeting. Due to the additional questions raised the City Council asked Baiku to return in 90 days with a presentation outlining: Baiku's relationship and agreement with Eco-Trip (the bike manufacturer); additional site locations; liability and insurance documents; the proposed relationship between Baiku and the City of Manhattan Beach, and outreach to businesses that might be affected.

Related Policy Issues

Currently, there are no policies in place regarding the use of public property for a commercial interest. Seasonal vendors, and the like, are prohibited from selling their wares on public property with the exception being during special events.

Liability and Insurance Requirements

Please see Attachment A (page 24) for a complete explanation of the liability and insurance requirements.

Baiku's Relationship with Eco-Trip

See Attachment A for a complete breakdown of responsibilities between the two companies.

Site Preparation

Baiku estimates site preparation costs to be between \$750 and \$1,000 (Baiku will be responsible for this site preparation).

Site Locations

In addition to the three possible site locations that staff and Baiku have identified Baiku is interested in exploring additional locations in North Manhattan Beach.

Manhattan Beach/Baiku Relationship

In exchange for use of public property for their commercial venture Baiku is asking the City to "...endorse 'Bike Weeks' with reference to the bike share program" (see Attachment A) and increase public outreach. The City will also receive 10% of revenue derived from each bike share station through a proposed Revenue Sharing Agreement. Currently, Baiku is speaking with the City of Hermosa Beach about possible locations near the Hermosa Pier.

Outreach

Staff contacted bike rental stations in the beach cities and along the bike path. Attachment C is a compilation of the comments received by the community.

Alternate Proposal

Staff was contacted by another vendor, Voltage-Net, expressing an interest in submitting a bike program proposal (see Attachment D).

CONCLUSION:

On April 6, 2010 and September 7, 2010 the City Council asked staff to investigate the permitting process to allow a commercial bike rental station on public property, and related policy implications. Staff has provided that information within this report and is requesting the City Council provide direction to staff.

ATTACHMENTS:

- A) Baiku Bikes Manhattan Beach PowerPoint Proposal – December 7, 2010.
- B) Photographs of Proposed Locations
- C) Comments From Community Members
- D) Voltage-Net Proposal
- E) September 7, 2010 Staff Report



Baiku Presentation for Manhattan Beach

Stephen Svajian & Todd Loewenstein

Agenda

- Background and overview
- Why bike sharing?
- Plan
- Partnerships
- Issues raised at previous meeting: Liability and insurance; Use of public property for commercial interests and policy implications

Background: General program description from Oct. 26, 2009 proposal

- **Provisioning:** Self-service bike share kiosks placed near the strand, ideally near the Manhattan Beach pier
- **Walk-up and web-based registration:** Each kiosk will have screen and credit card reader
- **Flexibility through innovation:** Modular and portable kiosks make it possible to reduce installation costs, remove kiosks, and relocate kiosks to meet demand and accommodate other uses
- **Duration of program:** Nine month program to test viability
- **Goal:** Gather user data and plan larger scale rollout of bike share system throughout the South Bay

Background: Presentations to Manhattan Beach City Council

- April 6, 2010: Presented to City Council; City Council asked staff to investigate; Summary of staff findings:
 - Coastal Commission: Coastal commission would approve; Need memo for permitting process
 - City Attorney: Council has broad authority to grant access
 - Takeaway: The program is possible
- September 7, 2010: Presentation to City Council; Asked to return in 90 days with more detail: This presentation is a response to that request

Why bike sharing?

- **History of success:** Cities that have implemented bike share have experienced reduced emissions, increased property values, and reduced traffic congestion
- **Bike sharing changes culture:** An estimated 5% of residents use bicycles for transportation; Bike share will target the other 95% and make bicycle transportation mainstream
- **Opportunity to lead:** Significant opportunity for Manhattan Beach to lead and show that it is a green city where ideas come to life



Plan

- Long-term vision
- What is the plan?
- Proposed timeline
- Business model
- Startup costs
- Marketing plan



Plan

Be a part of it.

Long-term vision

- Baiku's long-term vision is to be a transportation company and for bike sharing to gain intermodal transportation share
- The goal is to scale as bike infrastructure expands through Manhattan Beach and the South Bay
- The recreational market is insignificant to support the cost of maintaining a bike share program



People use bike sharing for transportation

- Successful bike sharing programs are used for transportation. The following survey results from Minnesota's Nice Ride program are typical:



What is your primary use of Nice Ride?

Value	Count	Percent %
Transportation (to go some place)	605	89.1%
Recreation (to go for a bike ride)	74	10.9%

Statistics	
Total Responses	679

What is the plan?

- Pilot program consisting of two to three bike share stations located on or near the strand in Manhattan Beach / Hermosa Beach
 - Acquire customer preferences and feasibility of bike share program in Manhattan Beach
 - Assuming feasible, work with city to establish longer-term bike share program
- Phase 1
 - Use lessons learned to implement “Phase 1” of a scalable bike share program in the South Bay
 - Look at core population densities and operational considerations of having kiosks within close proximity
- Phase 2: Expand to other cities within close proximity of Manhattan Beach

Pilot Program – Pier location

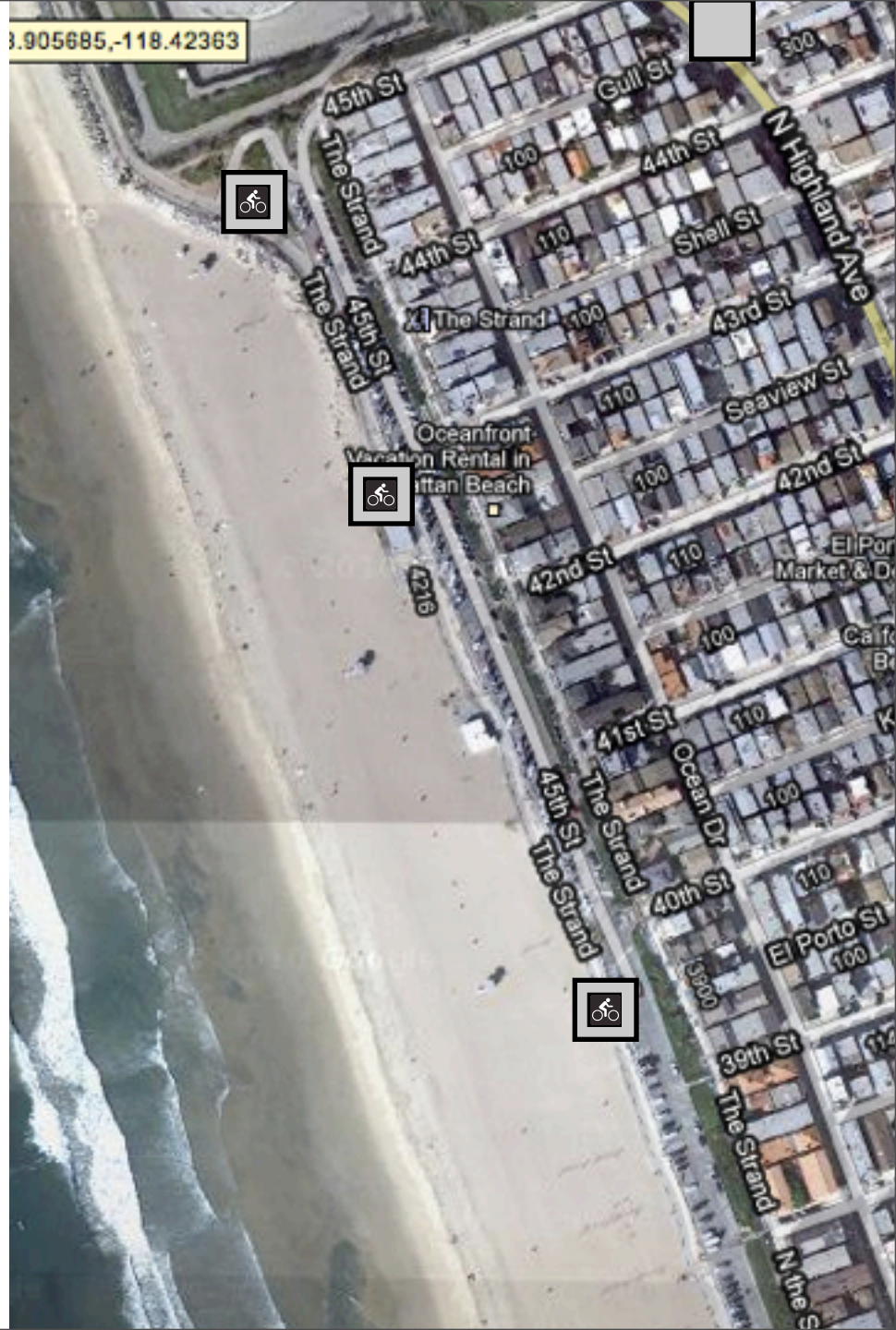
- Staff has identified locations near the pier that could accommodate bike share stations



3.905685,-118.42363

Pilot program – North Manhattan location

- Baiku believes that there are several locations that could work in North Manhattan



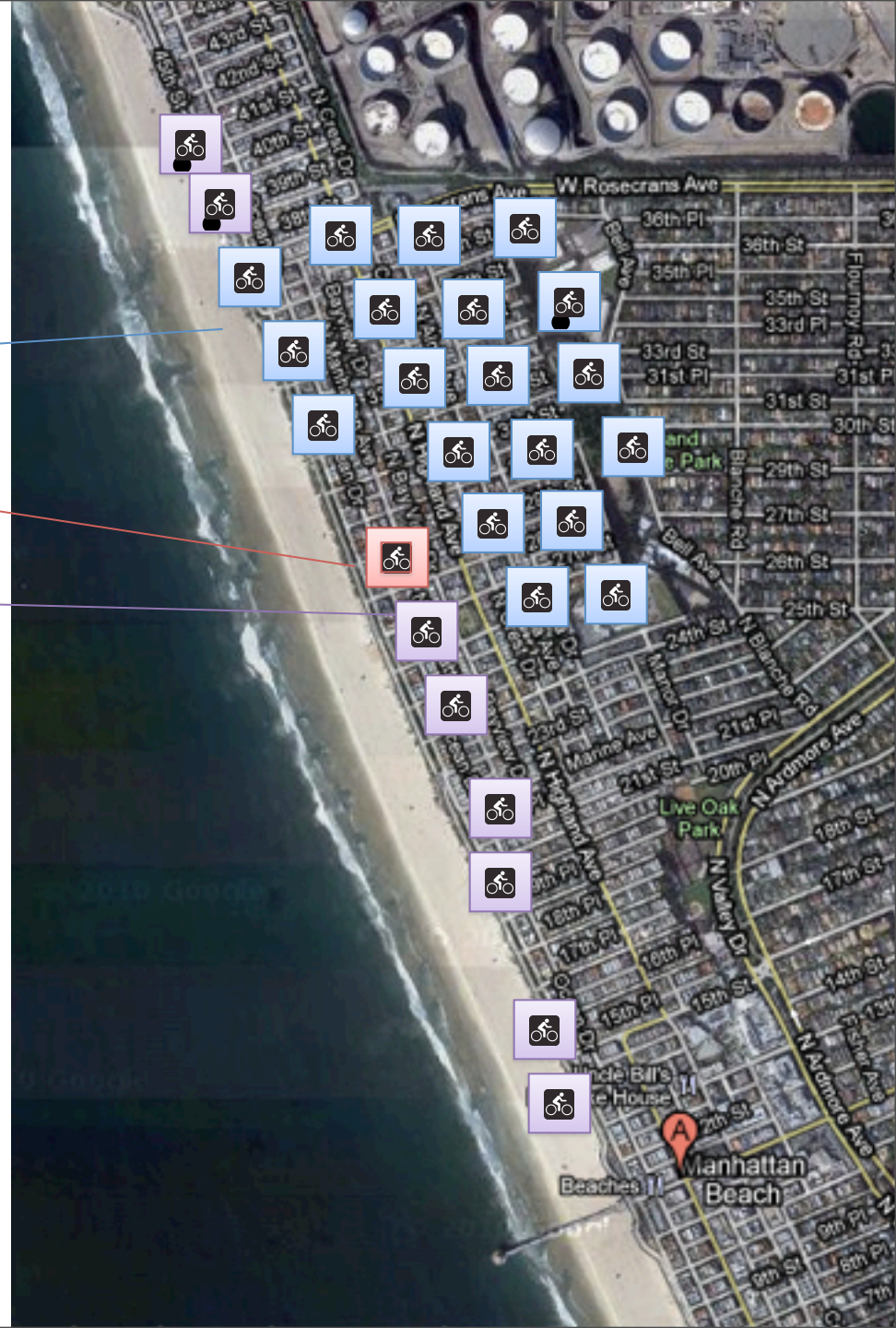
Phased plan

Phase 2: Build out
Manhattan / Hermosa:
600 bikes

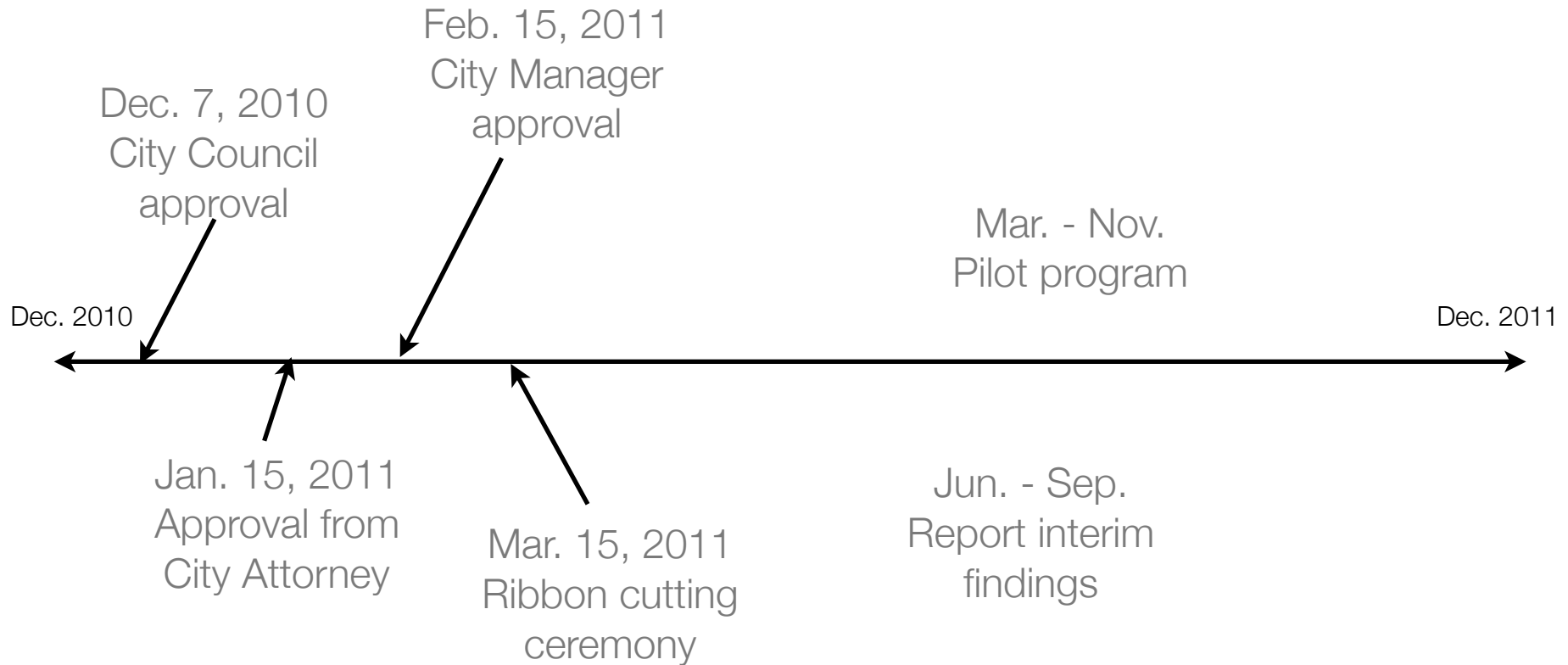
Phase 3: Expand up and
down the CA coast,
targeting dense beach
populations: 2,000 bikes

Phase 1: Pilot stations
in Manhattan /
Hermosa Beach: 25-50
bikes

- Pilot in Manhattan Beach
 - Get end-user info
 - Refine operations
- City-wide rollout
- Expand into other coastal municipalities



Proposed timeline



Business model

- Subscription based model
 - Monthly subscription: \$9.95
 - Yearly subscription: \$59.95
- Use price incentives for turnover
 - The first hour is free with a subscription
 - The next half hour is \$1 and \$2 for each subsequent half hour
- Revenue share with municipalities
 - 10% of revenue derived from each bike share station will go to municipalities
 - Stations on private property will be deducted as a % of revenue

Marketing plan

- Build a local identity and unique brand
- Promotional effort with launch of program to
 - Create awareness of the service and drive subscriptions
 - Facilitate education about safety and traffic laws
 - Encourage public discourse demonstrating that bicycles belong on city streets, led by public officials

Startup costs

Startup Costs	
Bicycles and kiosks	\$150,000
Maintenance equipment and promotions	\$25,000
Salaries and administrative	\$50,000
Total	\$225,000
Operating Costs	\$25,000

Sustainability

We believe that a pilot program will demonstrate the long term sustainability of a privately operated bike share company in Manhattan Beach and surrounding areas.

Site prep

Other bike share programs report costs of \$750 - \$1,000 for site preparation. This cost is built into the cost of bicycles and kiosks.



Partnerships

- Ecotrip
- Ecotrip and Baiku work breakdown
- Manhattan Beach partnership and issues of public/private partnership





About Ecotrip

- Based in San Diego
- Significant manufacturing experience
- Several years experience operating bike share programs
- Currently operating bike share systems at UC Irvine, Yale
- Supplier of bicycles and bike stations



Baiku & Ecotrip partnership responsibilities

Baiku	Ecotrip
Marketing and promotions	All equipment, including bikes, kiosks, cards, and spare parts
Local permitting	Initial kiosk installation
Maintenance, repair and rebalancing of bicycles	Major repairs to kiosks
All movements of kiosks after initial installation	Training for local maintenance and repair staff
Regular maintenance and minor repairs of kiosks	Warranty on bikes and kiosks
Web site (build, host, maintain)	Bike share back end application and service:
Customer service (except financial transactions and registration)	<ul style="list-style-type: none"> •Database of subscriber information, user agreements, usage data, etc.
	<ul style="list-style-type: none"> •Registration: On-line registration interface (linked to local webpage), and walk-up registration interface
	<ul style="list-style-type: none"> •Communications between kiosks, web site, and application
	<ul style="list-style-type: none"> •Data Security/Privacy
	<ul style="list-style-type: none"> •Financial transactions
	<ul style="list-style-type: none"> •Data reporting (usage, repairs needed, rebalancing)
	<ul style="list-style-type: none"> •Technical service
	Customer service for registration/financial transactions.

Manhattan Beach – Pilot responsibilities

- Right of way usage: The city provides space along the strand for bike share stations
- Marketing: City endorsed “bike weeks” with reference to the bike share program along the strand
- Public relations: Story in the Beach Reporter and other notable local publications

Issues

- Public / private partnership
- Liability and insurance



Public/Private partnership

- Question of locating bike stations on/near Pier
 - Concern over footprint interfering with bike path
 - Events and relocating station if needed
 - Pier has “pedestrian” orientation – people will be checking bikes out near pier, not riding them; If anything, serves to make bikers more aware of pedestrian traffic
- There is historical precedence
 - Roundhouse
 - Pilot Valet Parking Program with NMBBI

Liability insurance

- Baiku proposes to assume all liability associated with the normal operations of the bike share program
- Liability insurance information:

TYPE OF INSURANCE	LIMITS	
GENERAL LIABILITY <ul style="list-style-type: none"> • COMMERCIAL GENERAL LIABILITY • BROAD FORM VENDORS • CONTRACTUAL LIABILITY 	EACH OCCURRENCE	\$2,000,000
	DAMAGE TO RENTED PREMISES	\$300,000
	MED EXP (ANY ONE PERSON)	\$10,000
	PERSONAL & ADV INJURY	\$2,000,000
	GENERAL AGGREGATE	\$4,000,000
	PRODUCTS	\$4,000,000
AUTOMOBILE LIABILITY <ul style="list-style-type: none"> • HIRED AUTOS • NON-OWNED AUTOS 	COMBINED SINGLE LIMIT	\$1,000,000
EXCESS / UMBRELLA LIABILITY <ul style="list-style-type: none"> • OCCURANCE • RETENTION 	EACH OCCURRENCE	\$1,000,000
	AGGREGATE	\$1,000,000

- Baiku will provide city with insurance policy

Conclusion

- The essential components are in place to operate a successful pilot and to test the feasibility of a bike share program in Manhattan Beach
- The time is right for bike sharing in Manhattan Beach

Next steps

- Approval by City Council on December 7
- Review by city attorneys
- Signature by City Manager
- Installation of bike station
- Ribbon cutting ceremony

Supplemental slides

1. Why bike sharing
2. Bike sharing changes culture
3. Opportunity to lead
4. Worldwide bike share metrics
5. Bike layout and dimensions
6. Bike installation diagram

Why bike sharing?

- New (third) generation bike-share programs have been hugely successful due to technological advancements in the past 5 years
- Benefits reported from cities that have implemented bike sharing:
 - Emissions Reduction
 - Increased property values
 - Reduced traffic congestion
- Bike share complements transportation
 - Offer mobility downtown – run errands; go to lunch, etc.
 - Combined solutions-transit, car share, and bike share-make it possible to choose not to buy car

Bike share changes culture

- Bikes are great for short trips, but most people reflexively get in a car: An estimated 5% of residents use bicycles for transportation; Bike share will target the other 95% and make bicycle transportation mainstream
- How does bike sharing take bicycle transportation from “fringe” to “mainstream”? Make it easy to take a bike and go.
 - Promotional campaign--show that bikes belong in Manhattan Beach and build public discourse about safety and sharing the road.
 - Group dynamics—feel safety in numbers; feel part of a growing trend. Bike sharing will expand constituency for bicycle- and pedestrian-friendly infrastructure development.
- Community Outreach
 - Use subscriber lists to grow the constituency for bicycle- and pedestrian-friendly development.
 - Use hiring capacity to place disadvantaged youth in internship positions in the maintenance program.
 - Use data to create web-based employee wellness incentive programs.

Opportunity to lead

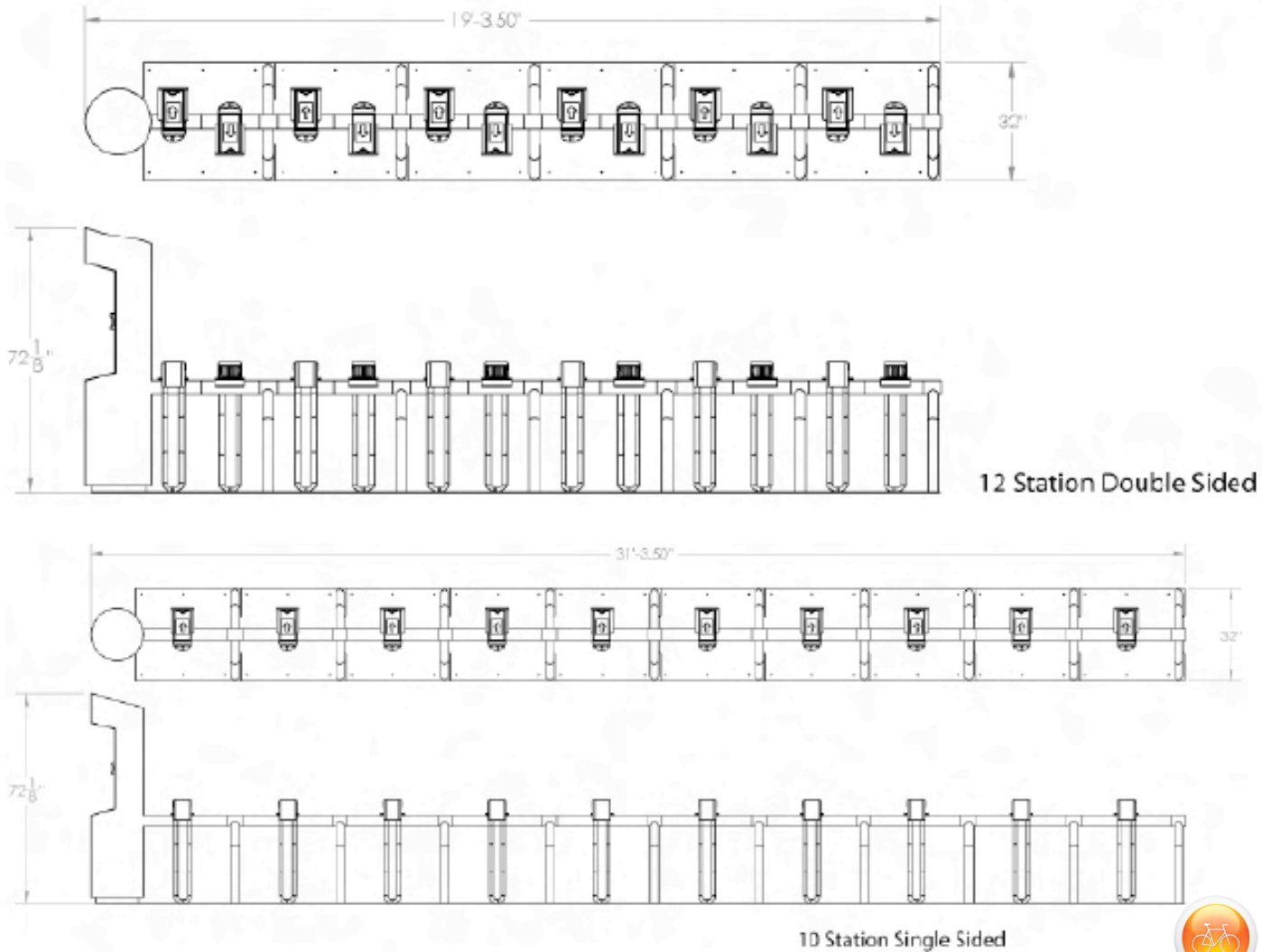
- Manhattan Beach has a unique opportunity to be the first city in Southern California to launch a full-scale bike share system:
 - Bike sharing is a green, healthy solution that will improve our streetscapes and showcase Manhattan Beach as a city where great ideas come to life.
 - The City has made, and continues to make, great strides to improve infrastructure for safe cycling; Bike sharing will increase the constituency for bicycle- and pedestrian-friendly development.
 - Bike sharing is a strong candidate for federal funding. It will have an immediate impact on bicycle transportation and will demonstrate how cities in Southern California can create sustainable systems.
 - By embarking on a bold and innovative approach to changing mode share, Manhattan Beach is more likely to see new federal funds for more pedestrian and bicycle infrastructure projects in the future.
 - Citizens and businesses want green, healthy solutions now.



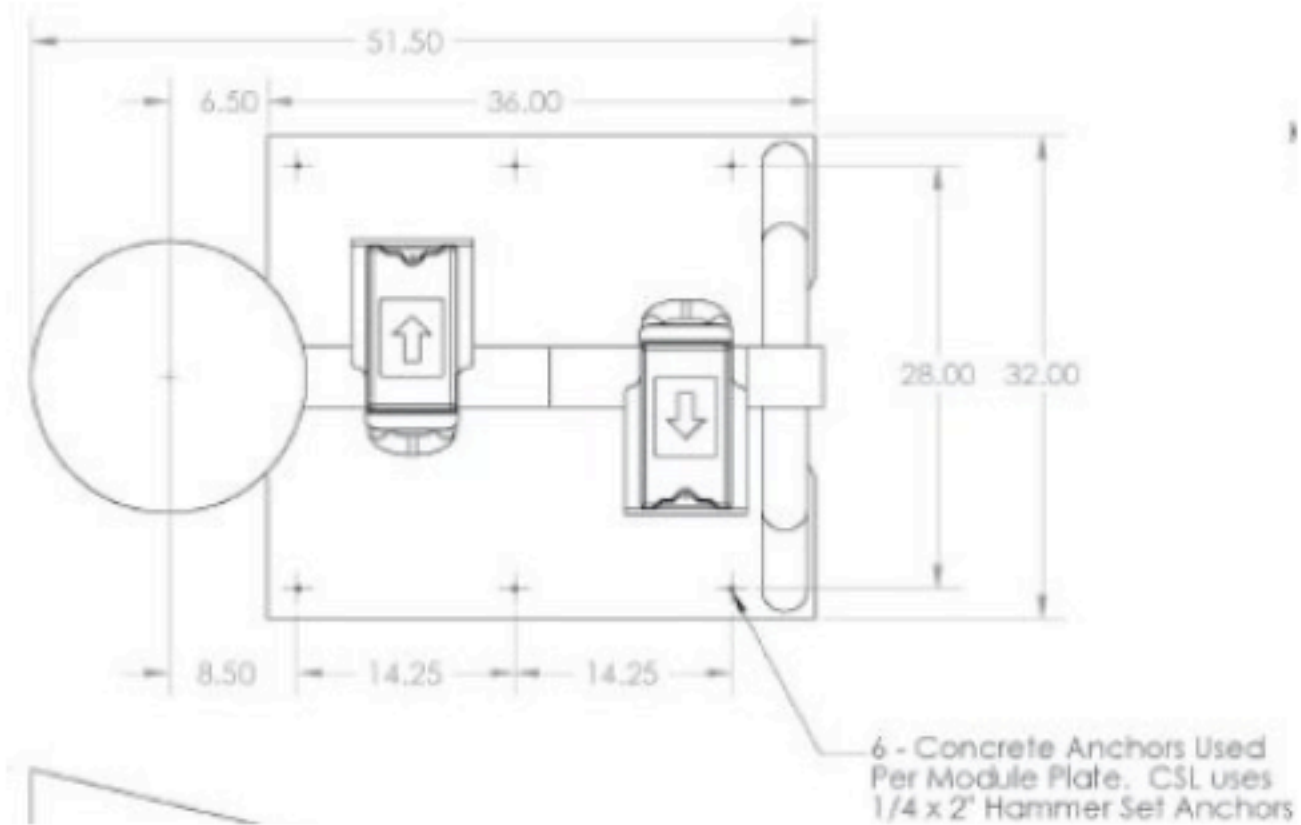
Notable worldwide bike share metrics

	DublinBikes, Dublin, Ireland	Velib – Paris, France	SmartBike DC – Washington	Bixi – Montreal, CA	B-Cycle – Oahu, HI	Bicing - Barcelona, Spain	OyBike – London, England
Operator		JCDecaux	Clear Channel Outdoors	Stationnement de Montreal	B-Cycle	Clear Channel	Veolia Transportation
Bicycles	450	20,600	120	2,400	100	6,000	200
Stations		1,451	10	300	10	400	28
Date of Inception	9/2009	8/2007	8/2008	Spring 2009	June 2009	March 2007	8/2004
Implementation Time (Mos.)		4.5	15				48
Implementation Cost		\$115M	\$4,500 / bike	\$15M	\$400,000		£126,000
Funding Source		Advertising	Advertising	City	Privately Funded		London Borough Council
Yearly Operating Costs				\$1,500 / bike			£300 per bike
Space per station		8' x 50'	8' x 40'				
Rentals per day	1,330	115,000	100+				
Thefts		7,800	1				
Subscribers	11,500	190,000	1,050	2250		193,000	
Daily Users		80,000					
Bike Life Expectancy			4 yrs projected				
Fee per day		€1		\$5 / hour			£10
Membership fees / year	\$16	€29	\$40	\$78		€30	
Uses per bike per day		7	1.5	3.5		10 - 15	7

Bike layout and dimensions



Bike installation



Photographs of Proposed Locations







Ariana Kennedy

From: Steve Collins <steve@hermosacyclery.com>
Sent: Wednesday, November 24, 2010 1:20 AM
To: Ariana Kennedy
Cc: City Manager
Subject: Re: Consideration of an Automated Bike Rental Station at the Pier
Attachments: Hermosa Cyclery.jpg

Hi Ariana,

Thanks for calling me a few weeks ago about the Automated Bike Rental Station idea. Below is our position on it. We feel passionately about the adverse impact this business would have and plan to attend the December 7 council meeting is support this position.

Please advise if we can be of service answering questions for your research.

Thanks,
Steve Collins

Hermosa Cyclery, Inc.
20 13th Street, Hermosa Beach, CA 90254 Steve direct: (310) 318-1283 Store: (310) 374-7816 <http://www.hermosacyclery.com>

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Dear Manager's Office,

Thanks for hearing our concerns about Baiku Bikes' Strand ambitions.

Hermosa Cyclery has been in the bike rental business near The Strand for 36 years. As experts in this business, we would like to point out that the market has been well served for decades. In fact, the bike rental market in general is a mature and well-served market everywhere it's profitable.

Three other bike rental stores operate within 50 yards of our store. There is an abundance of bike rental stores along The Strand from end to end, all 22 miles of it. We have looked closely for years. Baiku Bikes adds nothing to this market and will be detrimental to existing services, employment, customer satisfaction, and in our opinion, will be an unsightly intrusion on the nicest beach around. All of this might be fair damage, on an even playing field. But it's not.

During Baiku Bikes' presentation of their plans at a recent South Bay Bicycle Coalition meeting a reporter and founding member asked them "aren't you just going after the low-hanging fruit?" He asked this because the green-the-community, pro-bike vision they are selling contradicts their actual plans of operating only on The Strand with rent-free property off limits to the rest of us. Baiku has no substantive plans to do the heavy lifting they are preaching. There are no plans, for example, for services between the Green Line Station and Northrop or LAX and the Shade Hotel that coincide with their goal to "encourage

bicycling as an alternative means of commuting to reduce vehicle congestion and eventually create a regional network of shared bikes."

When asked during the same presentation, their consolation to those of us losing bike rental business to them was a misapplied JFK quote that "all boats rise," because we would get their repair business. Taking our bread-and-butter rental business and giving us the repair crumbs lifts only their business and crushes ours. We pay very high rent to be near The Strand, while they would pay no rent and be on the Strand. That flies in the face of fair competition.

Also crushed would be employment. We have a hefty responsibility keeping 10-20 people employed at our store, depending on the season. During the offseason, we employ people beyond our needs in support of all our interests. We think this is a good thing, and so does just about everyone except Baiku. In their first presentation to the city council, the fact that their service requires no employees was characterized as a benefit. This means jobs lost, lots of them.

Finally, the Baiku service will not flatter the community. After a day or two of their bikes being basted in evening dew and coated with a dusting of beach sand, it's hard to imagine happy customers. (Will Baiku ask for a large enclosure? Probably.) With no attendant, who is going to encourage helmets for the safety of kids who break the rules and rent their bikes anyway. Who will help their stranded customers where there are no services?

We appreciate your consideration of all the existing bike rental businesses doing their very best to serve the community with bike rentals, playing by the rules and employing people who need jobs. (See our story at <http://hermosacyclery.com/about.html>.)

We plan to attend the December 7 council meeting in support of these interests.

Thanks,
Steve Collins

Hermosa Cyclery, Inc.
20 13th Street, Hermosa Beach, CA 90254 Steve Direct: (310) 318-1283 Store: (310) 374-7816 <http://www.hermosacyclery.com>

=====

> From: Steve Collins <steve@hermosacyclery.com>
> Date: Mon, 13 Sep 2010 22:44:09 -0800
> To: <cm@citymb.info>
> Cc: Mark McNeill <mark@hermosacyclery.com>, Ken Liebowitz
> <ken@hermosacyclery.com>, Larry Burke <larry@hermosacyclery.com>
> Conversation: Consideration of an Automated Bike Rental Station at the
> Pier
> Subject: Consideration of an Automated Bike Rental Station at the Pier

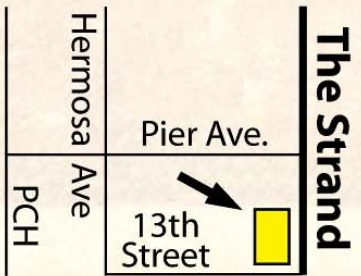
>
> Dear Manager's Office,
>
> We would like to present our opposition to the Automated Bike Rental
> Station at the Pier in Manhattan Beach (September 7, 2010).
>
> As part owner of Hermosa Cyclery and having worked locally in the bike
> rental business since 1979, I would like to present a realistic view
> regarding the existing, already well-served bike rental market on the
> Strand from Redondo Beach to Santa Monica.
>
> Virtually all of the benefits sited in the presentation to council
> recently are nonexistent at the proposed site on the Strand, except
> the one about relieving people of their jobs. That one is realistic.
>
> Thanks,
> Steve Collins
>
> Hermosa Cyclery, Inc.
> Store: 20 13th Street, Hermosa Beach, CA 90254
> Office: 2615 190th Street, Suite 241, Redondo Beach, CA 90278 Phone
> (310) 318-1283, Fax (310) 318-1285 <http://www.hermosacyclery.com>

HERMOSA CYCLERY



Voted Best Bike Shop
2009 & 2010

Thank You!



BIKE & SKATE

20 - 13TH ST

HERMOSA CYCLERY

374-7006



See our story at HermosaCyclery.com - About Us

VOLTAGE-NET

Kevin Perazzolo

Chief Executive Officer

PO Box 703 Pier Avenue #190
Hermosa Beach, CA 90254
kevin@voltagegenets.com
(310) 706-1150

The Voltage Net

Electric bikes providing zero emissions transportation within a network of municipal and private charging stations.

Transportation solutions designed and manufactured locally using recycled bicycles, zero emission electric motors, with solar powered fast charge stations.

Designed to provide neighborhood friendly transportation that is safe and fun for just about everyone.

An important component within municipal carbon strategy.

Electric Bike Systems

Intelligent power management

Convenience

Variable power assistance

Safe and sensible

Road side assistance

Fun to ride

Affordable

Cheap to operate



Storage & Charging



Storage locations offer charging with integrated billing based on electricity consumed during charge.

Multiple battery packs provide additional range and security.

Currently, our bikes are designed for single passenger use, future plans include dual passenger cycles and tricycle models for specific applications such delivery or for disabled and elderly.

The battery duration is approximately 4 hours of use with quick recharge.

The payment process is as simple as using an ATM machine located on the bike itself.

The Proposition

Voltage-Net proposes to work with the city of Manhattan Beach to build a convenient and flexible electric bike transportation system throughout the city.

Our concepts and technologies ensure safe and practical transportation utility with considerable recreational fun.

With safety as a core design component, Voltage Net transportation systems ensure safe and trouble free use.

Our Vision

Voltage-Net understands the importance of customer satisfaction and strives to provide a positive customer experience.

Our goal is to achieve a working relationship with the City of Manhattan Beach, local businesses and cyclists.

Charging stations will be located in convenient locations that suit the needs of the users and fit within municipal constraints.

Ultimately, as a community we should be able to provide better means of transportation that operates on a human scale and reduces dependency on fossil fuels.



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Liza Tamura, City Clerk
Ariana Kennedy, Management Analyst

DATE: September 7, 2010

SUBJECT: Consideration of an Automated Bike Rental Station at the Pier and Discussion of Related Policy Issues.

RECOMMENDATION:

Staff recommends that the City Council discuss the policy issues related to establishing a commercial venture at the Pier and provide direction.

FISCAL IMPLICATION:

Staff time will be required to complete the permitting process and assist in preparation of the installation area. There may be additional expenses associated with prepping the area. The project proponents have proposed a revenue sharing arrangement if the bike rentals are initiated. However, they have not discussed projected revenue potential.

BACKGROUND:

During the April 6, 2010 City Council meeting, Steve Svajian and Todd Loewenstein, of Baiku Bikes, appealed to the City Council for consideration of a pilot automated bike rental system to be located in Manhattan Beach near the Pier. Because the Pier and adjacent parking lots are State owned property, for which the City of Manhattan Beach holds a long-term operating and maintenance agreement, the City Council asked that staff investigate issues related to the permitting process that would be required by the State and the Coastal Commission. The Council also raised concern with the possibility that the rental station may displace parking space at the Pier and the issue of the City granting a private company access to public space for their business.

DISCUSSION:

Project Research History

Staff investigated the permitting requirements of the State and Coastal Commission, discussed the issue of a pilot program with the City Attorney and met with Mr. Loewenstein and Mr. Svajian to explore location options for a bike rental station that would be the least disruptive to current activity at the Pier.

The State Parks Department

In summary, the State will allow for a pilot program (by their definition, a pilot program is one that lasts not more than two years) with approval from the Director of the State Parks Department. In order to approve the pilot program, the Director would require a standard memo with information detailing the: 1) project description, 2) project background and 3) any budget, community or political interest or conflict.

The Coastal Commission

The Coastal Commission confirmed that the proposed pilot project would require a coastal development permit. In Manhattan Beach, the City has permitting authority through our Local Coastal Program (LCP). We can process a local coastal permit that would be appealable to the Coastal Commission. As such, we would prefer to address any potential concerns from the Coastal Commission upfront. In their initial response, the Coastal Commission was supportive of the concept of the bike rental station as a “lower-cost recreational activity that many people can enjoy.” However, they stressed that parking should not be displaced.

Based on preliminary project summary information, the City Attorney believes that the City, as the holder of the operating and maintenance agreement, has broad authority to award use of the Pier property for such a pilot program with the condition that if a more permanent arrangement is considered we should go through a Request for Proposal process. This is consistent with the State’s position that if the program is to last more than two years, it would be considered the granting of a concession that would require a competitive bid process.

In July, staff met with Mr. Loewenstein and Mr. Svajian at the Pier site to discuss potential locations for an automated bike rental station. According to the project proponents, the rental station would be solar powered and consist of a touch screen pay station with a stationary bike dock station. The smallest footprint for the dock station would be 13’x5’ and hold eight bikes. After walking the area, we identified two locations that are adjacent to the parking lots and just east of the bike path that could accommodate a bike rental station with no parking displacement and no significant disruption to current activity (see attachment B for pictures of locations).

Current Shared Bike Programs

There are a number of ways that bike sharing programs have been structured: government (Burgos, Spain), transport agency (Boston MBTA), University (UCI), non-profit (Denver), advertising company (Washington D.C.), and for-profit (Oahu). Currently, the most popular model is a partnership between a municipality and an advertising company. In exchange for use of public space to advertise, the ad company runs the bike sharing program. For example, in Washington D.C., Clear Channel Outdoor advertises on 800 bus shelters and on bike kiosks.

Baiku’s proposal falls into the for-profit category. In exchange for use of public property for their commercial venture Baiku is asking the City to “...endorse ‘Bike Weeks’ with reference to the bike share program” (see attachment A) and increase public outreach. The City will also receive a percentage of each bike rental through a proposed revenue sharing agreement. Currently, Baiku is speaking with the City of Redondo Beach and Hermosa Beach about possible locations near the Hermosa Pier and the Green Line.

Staff investigated a number of other cities that currently have bike sharing programs. The chart below collates the data collected and identifies which category or type of system is in place.

Current Shared Bike Programs (Continued)

City/College	Program Size	Program Type	Company	Notes
Barcelona, Spain	3,000 Bikes 400 Stations	Ad Agency	Clear Channel Outdoor	
Boston	Regional	Transport Agency	Massachusetts Bay Transit Authority (MBTA)	U.S. Federal Transit Administration awarded MBTA \$3 million
Burgos, Spain		Government run		BiciBur
Denver	500 Bikes 50 Stations	Non-Profit	Denver Bike Sharing	B-Cycle
D.C.	1,100 Bikes 100 + Stations	Ad Agency	Clear Channel Outdoor	In D.C./Virginia Area Smartbike
Madrid, Spain		Ad Agency	Cemusa	
Montreal, Canada	5,000 Bikes 400 Stations	Transport Agency	Montreal Parking Authority	Bixi
Oahu	100 Bikes 10 Stations	For-Profit		City will monitor the solar powered stations; Momentum B-Cycle
Paris, France	20,000 bikes 1,400 stations	Ad Agency	JC Decaux	
Philadelphia			Bike Share Philadelphia	Advocating for B-Cycle
San Francisco		Ad Agency	Clear Channel Outdoor	Project currently suspended
UC Irvine	4 Stations	University Run	ZotWheels	Partnership between UCI and CSL (manufacturer)

Related Policy Issues

Currently, there are no policies in place regarding the use of public property for a commercial interest. Seasonal vendors, and the like, are prohibited from selling their wares on public property with the exception being during special events. Before the City Council approves the pilot program with Baiku Bikes, a policy for other commercial interests that approach with similar requests will be needed.

Baiku’s long term goal is to encourage bicycling as an alternative means of commuting to reduce vehicle congestion and eventually create a regional network of shared bikes (connected to public transportation), but the predominate use for the submitted proposal would be recreational.

CONCLUSION:

On April 6, 2010 the City Council asked staff to investigate the permitting process to allow a bike rental station near the pier. Staff has provided that information within this report and is requesting the City Council provide direction to staff before committing any further resources to do this research. Before City Council approves a pilot program staff has identified the following issues which should be addressed:

- The use of public property for a commercial interest.
- Policy for other commercial interests that approach with a similar request.
- Vision for this project as it relates to augmenting transit versus strictly recreational.
- Appropriate revenue sharing agreement, if approved.

ATTACHMENTS:

- A) Baiku Bikes Manhattan Beach PowerPoint Proposal – September 7, 2010.
- B) Photographs of Proposed Locations



baiku
bikes

MANHATTAN BEACH BAIKU TRANSPORTATION SYSTEM

September 7, 2010, Baiku, LLC

Stephen Svajian
310.433.2920
ssvajian@gmail.com

Todd Loewenstein
323.359.8683
loew4567@yahoo.com





Automated bike system

- Short-term bicycle rental available at unattended locations
- Transaction + subscription-based service
 - Pay for use at station
 - Monthly subscription
- Revenue share with municipalities: station placement and space rental in exchange for a portion of revenue from program





Low Footprint

- **Automated process for rental and return.** Technology allows for fast rental and requires no personnel
- **Fixed stations.** Customers rent/return bikes to fixed stations

Solar-powered and wireless.

Entire system uses solar power and wireless communication

No need for infrastructure.

No need for permanent installation or external energy source; Stations can be set up in minutes and are easy to expand and contract

Small footprint.

8 bike station as small as 13' x 5'





Baiku benefits the entire community



- **Transportation**. As system grows, will help daily mobility
- **Visibility & accessibility**. Available on the strand, which allows easy access and renting on a whim
- **Fast and easy transactions**. Differs from traditional leisure oriented rental businesses, as individuals can use their credit card and ride in minutes
- **Environmental**. Daily mobility use reduces impact on environment
- **Low-overhead**. Small operations organization required to run business



Manhattan Beach Participation

What does the city do?

- The city provides space along the strand for bike share stations
 - **Marketing**. City endorsed “bike weeks” with reference to the bike share program along the strand
 - **Public Relations**. Story in the Beach Reporter/Easy Reader and other notable local publications

What does the company do?

- Baiku provides for the financing and operations of the system.
 - **Financing**. Responsible for financing and installation of the system.
 - **Operations**. Responsible for operations and maintenance of bike share program



Huge world-wide demand for bike transportation systems

- **European bike share programs.**
Well-established programs have significant users
- **United States.**
Bike share programs are popping up in densely populated cities: Boston, Denver, Oahu, Philadelphia, Washington D.C.
- Southern California is the best location in the world for bike share





Plan and Long Term Vision

- **Six month pilot project**
 - Gauge usage patterns through research
 - Structure pricing models that work best
 - Report back to Council in early 2011 on progress
 - Suggestions for future expansion in Manhattan Beach
- **To be a part of the transportation system in SoCal**
 - Become a bigger piece of transportation system
 - Make incremental progress in contributing to biking gaining share of the intermodal transportation pie
- **Eventual expansion up and down coast.**
 - Series of stations from Pacific Palisades-Orange County
 - Integration with train and bus lines



Southern California's South Bay is ideal

- **Climate and tourism.**
 - CA is best location in the world for bike transport system
 - Low rainfall
 - Established bike paths
 - Large number of tourists and residents use bikes for recreation and transportation
- **Environmentally conscious community.**
 - Reduces environmental impacts of transportation
- **Timing.**
 - Municipalities have little money, so implementation with private organization is ideal

Suggested Manhattan Beach Locations

Current Bike Rack Location

Parking Spot(s)

On Pier

Current Bike Rack Location



Immediate Expansion Locations

Redondo Beach:

- Green Line
- Hotels
- Northrop Grumman



Hermosa Beach:

- On 11th Street parking lot
- At the end of 10th or 11th Streets





Proven team of South Bay entrepreneurs

- **Stephen Svajian**. Previously the President of Content at Courtroom Connect, CEO at AudioCaseFiles, CEO of D2D Systems, and CEO of DineOnMe.com; 2 successful exits with more than 10x return on investment; 10 years experience in senior management positions; JD, William & Mary, BA, Tufts University
- **Todd Loewenstein**. 10+ years in technology operations, management and business development; Well-connected in the local community; President of the Redondo Beach Unified School District's Board of Education; Previously CEO, of ArcoStream, VP of Streaming Services at Raindance; Strategy analyst at the Weather Channel; MBA, Carlson School of Management, University of Minnesota, B.A., University of Michigan



Photographs of Proposed Locations





