

TRANSPORTATION

Point of bike sharing is mobility, not profit

Program set for summer launch is one more component of transit system: city official

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The big cash outlay for Vancouver's bike-share program and its uncertain returns have city staff warning the service should be looked at as a transportation investment rather than a money-maker.

Just as tax dollars go to transit, roads and sidewalks, they will also help drive Vancouver's shared bike system, said Jerry Dobrovolsky, the city's general manager of engineering.

"Could it make money? That would be great, but that's not the prime goal," Dobrovolsky said Wednesday, just before he helped unveil demonstration models of the 1,500 shared bikes slated to hit Vancouver streets this summer.

"It's easy mobility around the city. That's the focus."

The bike-share system will cost the city \$6 million in one-time vendor fees and start-up expenses, and at least another \$2 million in costs during its first five years. The upfront fees the city will pay operator CycleHop will help the company "get over the first hurdle" of bringing in sponsorship dollars and getting its financing in place, Dobrovolsky said.

In return for that \$8 million over five years, CycleHop will pay the city an undisclosed share of per-bike revenue. Staff won't release the exact numbers, saying they could harm CycleHop's business in other markets, but with a proposed fare for casual users — the highest-paying customers — of \$2.50 per half-hour, it would take a lot of trips for the city to recoup its money.

The city is expecting to ramp up to as many as eight trips per bike per day, said Gail Pickard, a city spokeswoman.

Josh Squire, the founder and CEO of CycleHop, offered more cautious numbers. Comparable cities — with perhaps a little less



JASON PAYNE/PNG

CycleHop founder Josh Squire looks over a demonstration bicycle on Wednesday. The city showed off models similar to the 1,500 shared bikes headed for Vancouver's streets later this year.

population density than Vancouver — might see an average of one or two daily trips per bike. A healthy number would be five daily trips per bike, and anything above that is phenomenal, he said.

Things that make for successful systems include a dense urban core, existing cycling culture and infrastructure, good weather and lots of visitors, all of which Vancouver has, Squire said. Tourists account for about 20 per cent of the users of average bike-share systems, Dobrovolsky said. If Vancouver averaged five daily

\$2.50 trips per bike, the 1,500-bike system would raise about \$6.8 million per year. On that basis, Vancouver would need to receive a generous 23 per cent of all money earned over five years, before any other expenses, to make back its outlay. That rough calculation does not include sign-up fees paid by casual users or factor in trips taken by members who would pay a proposed \$20 monthly fee for unlimited rides.

It also doesn't include parking meter revenue lost to curbside bike stations, which was

calculated in 2013 to be as much as \$800,000 per year. CycleHop has agreed to reimburse the city up to \$400,000 of that lost revenue, and it plans to locate as many stations as possible off city streets, Dobrovolsky said.

The city's contract with CycleHop could be extended to as much as 20 years, Dobrovolsky said. He did not say whether the city would be expected to pay additional fees to the vendor after the first five years of service.

The city is touting bike shares as one more component of its

overall transit system, and staff are looking at the possibility of using TransLink's Compass cards with CycleHop's bikes, Dobrovolsky said.

A big question looming over Vancouver's bike-share program is how CycleHop will deal with the city's safety helmet bylaw. Bike riders caught cycling without a helmet are subject to a \$29 fine. While ICBC and VPD data show ticketing for the infraction has declined steadily since 2010, hundreds of tickets are still handed out each year.

About 2,800 helmet-related tickets were issued in 2010. That number fell to roughly 1,000 in 2014 and 700 in 2015.

Squire said his company has been working with Bell Helmets to develop an entirely new made-in-Canada product that will be launched in Vancouver this summer. The helmets will be washable, serviced daily and can be locked to bikes using cable locks built into their frames, Squire said. A prototype helmet that he showed reporters was lightweight and looked like a typical bike helmet with its plastic outer shell removed.

"We will be offering liners in the bike baskets as well that are going to be free for people to use if they want that level of hygiene," Squire said.

Charles Gauthier, the president and CEO of the Downtown Vancouver Business Improvement Association, figured the public bike-share system will be good for business.

The DVBA was "cautiously skeptical" of the touted economic benefits of cycling and bike lanes a few years ago, he told reporters. "Since then, businesses have reaped the benefits of marketing directly to cyclists."

Gauthier said he would be helping the city and CycleHop find successful downtown locations for some of the 150 bike stations planned for the city.

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