

Bike-sharing in place from Paris to China

Vancouver's turn is coming, but it must beware of costs - other cities have suffered the consequences of ill planning

BY PETE MCMARTIN, VANCOUVER SUN APRIL 18, 2013



Bixi bikes are being used in many cities across Canada including Ottawa's national capital region. The company has run into financial trouble both in Montreal and Toronto operated by Alta.

Photograph by: Pat McGrath, Postmedia News, Vancouver Sun

In its quest to be The Greenest City in The World - the pretension of which makes me pine for the days when we hungered merely to be thought of as World Class - Vancouver is now pedalling bike-sharing as the newest way back to the garden.

Sometime this spring, the city plans to finalize a deal with Alta Bicycle Share of Portland, Ore. A system - complete with helmets, 1,500 bikes and 125 docking stations - hoped to be in place by this year or early next.

None of this is groundbreaking stuff. There are almost 400 bike share programs around the world, and they exist in cities that drone on a whole lot less about being green than we do: Washington, D.C., Paris, Berlin, even Dubai started a bike-share program last month. And I feel it is my duty to report - if only because I've always wanted to get the word "Kyrgyzstan" in my column - the following recent item from the website The Bike-Sharing Blog:

"In far western China almost bordering Kyrgyzstan, bike-sharing made its debut in Aksu City, Xinjiang this week. The first station with 20 bikes of the service, which will eventually include 500 bikes and 20 stations, opened to celebrate the end of the Chinese New Year Spring Festival. According to the

Xinjiang Daily, 300 eager Uyghurs signed up for the bicycle access card the first day!"

So, if eager Uyghurs can embrace bike-sharing, it's hardly visionary that Vancouverites do, too.

Despite this, there will be the usual gnashing of teeth. We've heard it all before and will hear it all again ... Mayor Moonbeam, the war against the car, the foolhardy government subsidization of bicyclists, etc. It won't rid the city of two-wheel transport, nor should it. Bikes deserve space on our roads.

But there are hazards in bike-sharing, and they don't have anything to do with helmet head.

They're financial.

In Toronto, for example, it didn't take long for the air to go out of its two-year-old bike-share program.

Earlier this week, the Toronto Star reported that Bixi Toronto, the group contracted to run the city's program, was in financial trouble. City staff was recommending restructuring the deal to protect the city's \$4.8 million loan guarantee. Toronto doesn't want to kill the program but it does want a different model.

"It's been a financial disaster," The Star quoted Coun. Denzil Minnan-Wong, the public works chair, as saying. "One of the options I think we should give serious consideration to is looking for a private-sector party to take Bixi."

Bixi, in its defence, claims that Toronto's system is too small to generate enough revenue. Only about 1,000 bikes are on the road, and the area the system serves isn't extensive.

But Bixi ran into even greater financial trouble in Montreal. In 2011, Montreal was forced to give Bixi a \$108-million bailout package, which included a \$71-million loan guarantee and \$37-million loan to cover its deficit.

The irony:

The financial mess was self-inflicted. It was the City of Montreal that founded the Public Bike System Company to develop a shared bike program. PBSC is Bixi's parent company. PBSC then sold its concept to other cities, including, among others, New York, Melbourne and London. New York, in particular, postponed the opening of its bike-sharing program after reporting problems with PBSC's system and technology.

But Jerry Dobrovolny, City of Vancouver transportation director, said Vancouver won't be exposed to that kind of risk. While PBSC will supply the bikes, Alta will run the program.

"Alta," he said "has a very good track record as an operator."

As for the amount of subsidy it receives from the city, it will be "a defined contribution," Dobrovolny said, "but that (figure) still has to be negotiated."

A staff report released last year estimated the city will not have to subsidize the program beyond an estimated \$1.9 million in cash annually for the next 10 years.

But Alta, he said, is proposing a business model "better than that ... There's hopes that (the system) can generate positive cash flow in a reasonable amount of time, within less than a five-year term.

"But it's safe to say," Dobrovolny said, "these programs are not profit centres." I could be mistaken, but I thought I distinctly heard in Dobrovolny's tone what could be called the softpedalling of a product, in the eventuality of a flat tire.

pmmcmarin@vancouversun.com

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