

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO				CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)	
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): Corporate Partnership		DATE: 05/07/2013	
SUBJECT: Corporate Partnership Agreement, DecoBike, LLC					
PRIMARY CONTACT (NAME, PHONE): Natasha Collura, 619-533-3822, MS 610			SECONDARY CONTACT (NAME, PHONE): Jennifer Kearns, 619-533-3824, MS 610		
COMPLETE FOR ACCOUNTING PURPOSES					
FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE):					
ROUTING AND APPROVALS					
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	
Risk Management		ORIG DEPT.	Collura, Natasha	5/7/2013	
Equal Opportunity Contracting		CFO			
Environmental Analysis		DEPUTY CHIEF			
Liaison Office		COO			
		CITY ATTORNEY			
		COUNCIL PRESIDENTS OFFICE			
PREPARATION OF:	<input type="checkbox"/> RESOLUTIONS	<input checked="" type="checkbox"/> ORDINANCE(S)	<input checked="" type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)	
Adopt an ordinance authorizing the Mayor to 1) enter into a Corporate Partnership Agreement with DecoBike, LLC for the financing, implementation, management and operation of a self-service bikesharing system with certain marketing rights and benefits for a term of 10 years with the option to renew for two additional 5-year					

terms all on the terms and conditions provided in the proposed Agreement; 2) provide an exemption from the City’s sign regulations for the placement of advertising at bikesharing stations; and 3) provide an exemption from the City’s parking regulations for parking of bikesharing maintenance vehicles. This agreement represents a capital investment to the City valued at \$7.2 million along with potential revenue of \$2.6 million over the term of the contract not including any losses of parking meter revenue.

Adopt a resolution determining that this activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15303 (Small Structures).

STAFF RECOMMENDATIONS:
Adopt the Ordinance and Resolution.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	All
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COMMUNITY AREA(S):	All
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ENVIRONMENTAL IMPACT:	This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15303 (Small Structures).
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CITY CLERK INSTRUCTIONS:	
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COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 05/07/2013

ORIGINATING DEPARTMENT: Corporate Partnership

SUBJECT: Corporate Partnership Agreement, DecoBike, LLC

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Natasha Collura/619-533-3822, MS 610

DESCRIPTIVE SUMMARY OF ITEM:

This item is to authorize the City to enter into a Corporate Partnership Agreement with DecoBike, LLC to provide a privately funded Bikesharing Program. The Program will enhance alternative transportation throughout the city. This Agreement represents a capital investment valued at \$7.2 million along with potential revenue of up to \$2.6 million. The City will not use public taxpayer dollars to implement, manage and operate the Program. The Agreement is based upon a ten-year term with the option to renew for two additional five-year terms.

STAFF RECOMMENDATION:

Adopt the Ordinance and Resolution.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

Similar to car sharing, bikesharing is a one-time or recurring membership-based system that provides user access to bicycles operating in the bikesharing program. The central concept of bikesharing is to provide affordable access to bicycles for short-distance trips in an urban area as an alternative to motorized public transportation or private vehicles, thereby reducing traffic congestion, noise and air pollution. Bikesharing systems have also been cited as a way to solve the "last mile" problem and connect users to public transit networks.

The City is in the process of partnering with DecoBike to implement a comprehensive Bikesharing Program ("Program") in San Diego. The City will not use public taxpayer dollars to implement, manage and operate the Program. Bikesharing has been embraced in many parts of the country as a legitimate form of public transit to supplement an existing transit system. The addition of bikesharing to San Diego's transit network is consistent with the City's commitment to improving bicycle infrastructure and promoting alternative forms of transportation.

Should the Agreement be approved, DecoBike will immediately begin the process of garnering community input and design in the Program network. This process will include the selection of approximately 220 sites where the bikeshare stations will be located. In most cases, these stations will be placed in the public right-of-way or on private property. In some cases, if there is no other option, stations may need to be placed within the parking lane necessitating the removal of metered or non-metered parking spaces in order to create an effective Program network. If metered spaces are removed, there could be a loss of revenue to the Parking Districts. Average monthly revenues per spaces range from \$1,700 to \$2,500 depending on the location.

The Agreement will allow the City to enter into a Corporate Partnership Agreement with DecoBike, LLC to provide a privately funded Bikesharing Program for the City of San Diego

and amend the sign ordinance to permit station advertising as a funding source for the Program. This Agreement represents a capital investment to the City valued at \$7.2 million along with potential revenue of up to \$2.6 million over the term of the contract, less any credits due and not including any losses of parking meter revenue. The Agreement is based upon a ten-year term with the option to renew for two additional five-year terms.

FISCAL CONSIDERATIONS: The overall fiscal impact depends on total revenue received, but current estimations indicate that the Program could provide anywhere from \$1 million to \$2.6 million over the ten year period, less any credits due. This does not reflect any potential parking revenue losses, which could range from averages of \$1,700 to \$2,500 per space, monthly, depending on location. Advertising revenue share will be deposited in the Transportation Division's budget for reinvestment back into bicycle programs. Membership or walk-up rentals revenue share will be deposited into the General Fund. The term of the Marketing Partnership Agreement is ten years with two five year renewal options.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): The City and DecoBike agree that this Agreement is a marketing partnership with mutual benefits and obligations running to each Party, and not a contract for the provision of labor, materials, goods, supplies, services, or consultant services to the City, or for a grant from the City, or for the construction of public works, as the term "contract" is used and defined in San Diego Municipal Code sections 22.2701-22.2708 (EEO Outreach Program), 22.3501-22.3517 (Nondiscrimination in Contracting Ordinance), and 22.4301-22.4308 (Equal Benefits Ordinance). Notwithstanding that understanding, DecoBike acknowledges the importance of the goals and objectives of the City's program, and for the purpose of this Agreement, DecoBike has completed the City's Work Force Report, which is attached as Exhibit 12.3. and DecoBike shall not discriminate against any employee or applicant for employment on any basis prohibited by law. DecoBike shall provide equal opportunity in all employment practices.

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: Planned.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Bicycle Program Fund, General Fund and services for residents and visitors. Potential loss of passenger loading zones, parking spaces and parking metered revenue affecting City Parking Districts.

Collura, Natasha
Originating Department

Deputy Chief/Chief Operating Officer

DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO
EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION

DATE:
June 7, 2013

SUBJECT: Marketing Partnership, DecoBike, LLC

GENERAL CONTRACT INFORMATION

Recommended Contractor: Deco Bike, LLC

Amount of this Action: N/A

Funding Source: N/A

Goal: N/A

SUBCONTRACTOR PARTICIPATION

There are no subcontractors associated with this action.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity: Required

Deco Bike, LLC submitted a Work Force Report for their Miami-Dade County employees dated May 5, 2013 indicating a total of 20 employees. The firm's Work Force Analysis reflects under representations in the following categories:

Females in Mgmt & Financial, Technical, & Services

City and DecoBike agree that this Agreement is a marketing partnership with mutual benefits and obligations running to each Party, and not a contract for the provision of labor, materials, goods, supplies, services, or consultant services to the City, or for a grant from the City, or for the construction of public works, as the term "contract" is used and defined in San Diego Municipal Code sections 22.2701-22.2708 (EEO Outreach Program), 22.3501-22.3517 (Nondiscrimination in Contracting Ordinance), and 22.4301-22.4308 (Equal Benefits Ordinance). Notwithstanding that understanding, DecoBike acknowledges the importance of the goals and objectives of the City's program, and for the purpose of this Agreement, DecoBike has completed the City's Work Force Report, which is attached as Exhibit 12.3. and DecoBike shall not discriminate against any employee or applicant for employment on any basis prohibited by law. DecoBike shall provide equal opportunity in all employment practices.

ADDITIONAL COMMENTS

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THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: 06/10/13 REPORT NO: 13-052

ATTENTION: Land Use and Housing
Agenda Meeting of June 19, 2013

SUBJECT: Corporate Partnership Agreement –DecoBike, LLC

REFERENCE: N/A

REQUESTED ACTIONS:

Adopt an ordinance authorizing the Mayor to 1) enter into a Corporate Partnership Agreement with DecoBike, LLC for the financing, implementation, management and operation of a self-service bikesharing system with certain marketing rights and benefits for a term of 10 years with the option to renew for two additional 5-year terms all on the terms and conditions provided in the proposed Agreement; 2) provide an exemption from the City's sign regulations for the placement of advertising at bikesharing stations; and 3) provide an exemption from the City's parking regulations for parking of bikesharing maintenance vehicles. This agreement represents a capital investment to the City valued at \$7.2 million along with potential revenue of \$2.6 million over the term of the contract not including any losses of parking meter revenue.

Adopt a resolution determining that this activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15303 (Small Structures).

STAFF RECOMMENDATIONS:

Adopt the Ordinance and Resolution.

SUMMARY:

Introduction

The Corporate Partnership Program (CPP), formerly called the Municipal Marketing Partnership Program, seeks opportunities for the City to generate cash and in-kind resources from partnerships with the corporate community in order to enhance municipal services and facilities in the City. The City Council approved the Program in 1999, and adopted Council Policy 000-40 with guidelines for the Program on January 18, 2000.

Bikesharing

Bikesharing has been growing since 1965. As of May 2012, there were approximately 368,000 bicycles at more than 13,600 stations on 5 continents and 36 countries.¹ Similar to car sharing, bikesharing is a one-time or recurring membership-based system that provides a user access to bicycles operating within the bikesharing system. The central concept of bikesharing is to provide affordable access to bicycles for short-distance trips in an urban area as an alternative to motorized public transportation or private vehicles, thereby reducing traffic congestion, noise and air pollution. Bikesharing has also been cited as a way to solve the “last mile” problem and connect users to public transit networks.

In June of 2012, the Mineta Transportation Institute issued a comprehensive report on bikesharing in North America.² Among other findings, the report states that in all cities evaluated, public bikesharing reduces driving and auto emissions. In larger cities, bikesharing appears to draw from public transit use, freeing up capacity and perhaps serving as a faster connection to intraurban locations than previously provided by bus and rail systems. At the same time, there is evidence that public bikesharing is improving urban travel connectivity, contributing to neighborhood economic development, reducing driving and thus lowering vehicle emissions.

San Diego is committed to improving bicycle infrastructure and bike safety as reflected in the City’s 2008 San Diego General Plan, and most recently through a proposed City Council approved Bicycle infrastructure prioritization resolution. In addition, bikesharing is a program recommended for regional implementation in the 2010 SANDAG Regional Bicycle Plan, “Riding to 2050: San Diego Regional Bicycle Plan.”

Partnership Development Process

In September of 2012, the Corporate Partnership Program, in collaboration with the Transportation Division, issued a Request for Sponsorship (RFS) for a Bikesharing Partner. The overall objective of the RFS was to solicit proposals for a partner to develop, install, market and maintain a privately funded Bikesharing Program in partnership with the City of San Diego. Approximately 14 bikesharing providers were notified of the RFS. In addition, the opportunity was posted on the City’s Corporate Partnership webpage.

Three companies provided proposals for consideration to the Selection Committee, which was chaired by the Director of the Corporate Partnership Program and consisted of representatives from Transportation, Policy, SANDAG and the San Diego Bike Coalition. Upon a lengthy evaluation, DecoBike, LLC (DecoBike) was selected to be the City’s Official Bikesharing Partner based on their ability to provide the best overall benefit to the City, their successful experience with an existing and functioning system,

¹ Mineta Transportation Institute, “Public Bikesharing in North America: Early Operator and User Understanding” (MTI Report 11-26, June 2012).

² The study conducted by the Mineta Transportation Institute included 14 cities, 19 bikesharing operators in the United States and Canada, and bikesharing users. It reviewed 32 program startups and 9 closures in the United States and 8 program launches and 2 closures in Canada. Seventeen additional programs were planned to launch in the United States after the study was released.

and their plans for expansion in the region.³ Furthermore, while nearly all Bikes sharing Programs in the United States rely on public funding and subsidies, DecoBike is one of the only firms that has successfully launched and continues to operate a major Bikes sharing Program using only private funds.

DecoBike, LLC Proposal

Attachment A is the proposed Corporate Partnership Agreement negotiated between the City and DecoBike for the investment, implementation, management, and operation of a self-service Bikes sharing Program. The Agreement is based upon a ten-year term with the option to renew for two additional five-year terms. Key contract terms and conditions are highlighted below.

Sign Ordinance

The placement of advertising and sponsorship on program bikes and at stations, along with a period of ten years, are both essential terms for the financial viability of a Bikes sharing Program that does not include City subsidies. The proposed Agreement contemplates that DecoBike will incur significant expense to initiate the Program. The on-bike and station advertising will generate revenue sufficient for the implementation and long-term operation of the Program, and allow DecoBike to recapture capital investment and cover substantial operations costs. In addition, during this term, the City will partner with DecoBike in a marketing and revenue sharing model that is mutually beneficial to both parties. It is important to note that the City is not required to contribute funds for capital improvements or operations for the Program.

The proposed Agreement provides for advertising at each bikes sharing station to generate revenue to support the Bikes sharing Program. The advertising is limited to a two-sided advertising panel ground sign and the available space on the payment kiosk.⁴ The sign will hold a poster on each side and can be lit using solar-powered lighting, but will not contain electronic or flashing copy. The signs will be oriented to pedestrians and users of the Bikes sharing Program, and not oriented to street traffic. The proposed Agreement requires that the revenues generated by the signs be used to support the Bikes sharing Program and bicycle infrastructure improvements.

The proposed Ordinance includes the creation of an exemption from San Diego Municipal Code Chapter 14, Article 2, Division 12, Sign Regulations. The use of limited and controlled advertising at the bikes sharing stations for the purpose of supporting a City-sponsored initiative to provide a public Bikes sharing Program that will promote bicycle use and decrease traffic and pollution, is consistent with and furthers the goals of

³ DecoBike is currently in discussions with several nearby municipalities in Mexico, including Tijuana, to launch bikes sharing. DecoBike would like to work with the City to implement the first “cross-border” Bikes sharing Program to permit residents/workers to utilize bikes sharing as a means of transportation.

⁴ Exhibit 6.7 to the Proposed Agreement provides the specifications for the advertising sign, a depiction of the placement of the sign at a station, and an example of the type of advertising that would be displayed on the bikes and at the station sites.

the City's Sign Ordinance to promote traffic safety and aesthetics. See City Attorney Memorandum, attached.

This approach has been used in several cities that also generally prohibit advertising in the public rights-of-way (*e.g.*, Washington D.C., Boston, Miami Beach, and Minneapolis). In San Diego, the advertising will provide a critical revenue stream and maintain financial stability without the need for the City to subsidize the Program. According to the Mineta Transportation Report, amending local ordinances to enable cost recovery for a public Bikes sharing Program via corporate advertising at bikes sharing stations is an important way that local governments can support bikes sharing and provide both a public transportation program and public benefit.⁵

Site Selection and Community Outreach

The proposed Agreement includes stakeholder and community outreach as part of the site selection process. If approved, DecoBike, in conjunction with the City's Transportation Division, will conduct community outreach including community meetings, and the development and maintenance of a website to solicit community input and provide progress on implementation, notices and information as requested by the City.

A letter (Attachment B) will be sent out to community associations, business districts, parking districts and others to notify them that the program is under consideration by the City Council and Mayor. The letter requests the opportunity to provide a presentation to their association or group and solicit feedback on the program upon approval.

A map of proposed station locations will be developed upon review of community input, and taking into consideration a general service grid that interfaces with existing bicycle infrastructure and master plans. Site visits will be conducted to further evaluate locations in conjunction with other forms of public transit, including car sharing facilities. All sites, including kiosk and bike station layouts will be approved by the City's Transportation and Engineering Departments. Any conflicts or issues with proposed sites will be identified and resolved upon review with city staff.

The proposed Agreement also provides for the placement of stations on private property (*e.g.*, a hotel, grocery store, or mall). While we expect that most stations will be located in the public right-of-way, DecoBike will also reach out to private property owners that may be able to offer sites in strategic locations.

Potential Parking Space or Loading Zone Impact

In some cases, if there is no other option, placement of a station may necessitate evaluation of partial use of passenger loading zones or removal of a metered/ non-metered parking space in order to create an effective Program network. If metered spaces are removed, there could be a loss of revenue to the Parking Districts (average monthly revenues per spaces range from \$1,700 for older style meters to \$2,500 for smart meters),

⁵ MTI Report 11-26. [page 34]

depending on the type of meter and location. The revenue impact would most likely begin early 2014. There are currently 51 “smart” single space meters, 130 multi-space meters and 4,500 older style meters throughout the City and, based on the initial assessment, less than 10 spaces throughout the Parking Districts could be impacted.

Again, this is not a definitive number as the community outreach phase and evaluation of suitability of locations has not yet occurred.

DecoBike would not be responsible for lost revenue for any displaced/removed meters, or the costs for actual meter removal, new signage, new curb painting, etc. Currently, meter placement, meter purchases, rates/hours of operation are decisions made jointly by the affected Community Parking District (CPD) and the City. Meter revenue (net of costs) is split 45/55 between the CPD and City.⁶ It should be noted that, according to City Council Policy 100-18, the funds generated by parking meter revenues can be allocated to promoting alternative forms of transportation to reduce parking demand, encourage use of solar-powered parking technology as well as provide for pedestrian comfort and convenience. The Bikesharing Program falls under this intended use. The two main groups that would be impacted by this Program would be the Downtown Parking Management Group (DPMG), which is associated with Civic San Diego, and the Uptown Parking District in Mission Hills/Hillcrest. The Transportation Department has initially contacted both groups and will work to ensure necessary information regarding the potential impacts about bikesharing are communicated to the parking districts. Efforts will be made to minimize any removals and, if removals are necessary, to make best efforts on removing the least utilized spaces with input from the community and business owners.

Scenario

A preliminary assessment was conducted with Civic San Diego, City Transportation and DecoBike and used to create the following scenario. This scenario could change based on community input, general grid consideration and City approval.

Assuming 10 or less parking meter removals:

- 5 “smart” single space meters removed
- 5 “older style” single space meters removed

Then:

- (1) Average revenue per smart meter = $\$2,500 \times 5 = \$12,500$ monthly
- (2) Average revenue per older style meter = $\$1,700 \times 5 = \$8,500$ monthly
- (3) Removal of 10 paid metered spots = $\$12,500 + \$8,500 = \$21,000$ monthly

FY14 Impact

- (1) March, April, May and June monthly estimated impact of removal of 10 paid metered spots = $\$21,000 \times 4 = \$84,000$

⁶ A percentage of the total parking meter revenues (45%), less administrative and parking meter operations costs, are allocated to the parking districts. The City may allocate all or a portion of the 55% of the revenue to a districts on a case by case basis and if they met requirements of council policy 100-18.

Revenue Impact

Currently, the annual revenue received by the Parking Districts is as follows:

Downtown - \$2M

Uptown - \$800-900K

Mid-city - \$90-100K

The annual revenue impact based on above scenario, if accurate, would represent approximately 0.09% of total revenues received from all districts combined.

In addition, the proposed Agreement permits DecoBike to park its maintenance vehicle at metered or unmetered spots while performing maintenance. The proposed Ordinance includes the creation of an exemption from San Diego Municipal Code Chapter 8, Article 2, Division 0, Traffic Movement and Control, and Chapter 8, Article 6, Division 20, Residential Permit Parking Program, to allow DecoBike to use metered or restricted parking spaces when necessary for maintenance at a bikesharing station.

Stations and Equipment

DecoBike is currently finalizing the prototype for the next generation system that the City is slated to receive, including an improved bicycle model and an upgraded station. The station will consist of a self-contained pod/platform system that will be placed over the existing surface (i.e. asphalt, concrete, grass, etc.). Stations are solar powered, use wireless technology, and do not require utility connections. No infrastructure improvements are contemplated for installation of the Bikesharing Program.

Examples of improvements included in the new system are:

- Upgrades to color touch screen versus traditional keypad.
- RFID reader at each bike dock so users can bypass the kiosk.
- Kiosk dispensed membership key fob (so users don't have to go to a location to pick up keys or wait for keys to be mailed).
- Utilizing a pillar based locking system instead of a rail-based system (makes it easier for pedestrians to walk through a station footprint without having to go around the rail).
- Move from traditional chain drive to shaft drive bikes to reduce bike down time and maintenance.

The initial fleet size and number of stations is based on DecoBike's recommendations and comparable programs in the United States:

Number of Bikes: 1,800-2,200

Number of Stations: 180-220

Number of Bike Docks: 3,240-3,960

The size of the bicycle fleet and the number of stations can be changed by agreement of the parties based upon the site selection process.

Marketing

DecoBike is responsible under the proposed Agreement for formulating and implementing a plan to market the Bikesharing Program to residents and visitors. Based on its past experience, DecoBike intends to use a variety of marketing strategies to promote and encourage membership and walk-up rentals for the Program, including public relations, events and promotions, a membership rewards program, smartphone apps, direct mail, social media and email campaigns. In addition, DecoBike will explore cooperative marketing programs with hotels, condominium/HOA associations, retail outlets and conventions, among others. The City will supplement the marketing efforts with public relations support from the Mayor and City Council, information and links on the City's website, video on City TV, and promotion of the Program to employees and visitors.

Additional Economic Impact

DecoBike is estimating a job creation total of approximately 60-70 local hires, real estate transactions (lease or own 10,000 square foot operations facilities), plus 2-3 additional satellite locations.

It is important to note that bikesharing is good for cities in many ways. It delivers all the benefits of bicycling by replacing car trips, helping the environment, decreasing road congestion, and improving the economy, parking, mobility, and traffic safety. In addition, bikesharing has unique advantages. It is more convenient and affordable than bike ownership for many residents; it helps overcome barriers to using a bike in a city, such as theft and storage; it generates revenue for municipalities and private companies; it creates new jobs; it motivates cities to improve bike infrastructure; it both connects to and relieves pressure on transit; it provides branding for a city; and it introduces new audiences to bicycling.

The bikesharing stations could increase the parking capacity of the street substantially by removing 1 to 2 auto parking spaces and replacing them with a bikesharing station. With average persons per vehicle steadily declining, as individuals increasingly replace car trips with bike trips, the stations could help alleviate total on-street auto parking congestion. Offering safe and convenient amenities for bicyclists increases the likelihood that individuals will choose to bike to a restaurant, bar, or boutique; saving driving for the trips that require it.

Implementation and Timeline

The Program will be implemented in phases, based on a schedule to be developed after community and city input, site visits and general grid configuration. Consideration of other bicycle related programs and enhancements will also be taken into account. The proposed timeline on Attachment D is based and contingent on meeting each milestone.

Revenue Share

DecoBike has agreed to pay the City a Marketing Rights Fee consisting of a 15% commission, less any credits due on the total gross revenue from advertising,⁷ and an 8% commission, less any credits due, on net profit of membership/rentals. Membership/rental commissions will commence upon annual cost recovery of average \$2,500 revenue grossed per bike. If revenues per bike exceed \$3,500 annually, the 8% commission will increase to a 10% commission.

For the first year of operation, DecoBike shall pay City a guaranteed commission of \$25,000, less any credits due, in one lump sum, on the date of the Phase I Operational Rollout.

Contract Years 2 through 10 —Minimum Guaranteed Payment.

For the second through tenth years of operation, DecoBike shall pay City the greater of the combined Sales and Advertising Commissions, less any credits due, or the Minimum Guaranteed Payment (MGP) specified below and adjusted for the size of the fleet.

Year:	Minimum Guaranteed Payment: ⁸	Projected Revenue:
2	\$50,000.00	\$236,400
3	\$100,000.00	\$260,800
4	\$100,000.00	\$278,000
5	\$125,000.00	\$291,600
6	\$125,000.00	\$305,200
7	\$150,000.00	\$315,200
8	\$150,000.00	\$325,200
9	\$150,000.00	\$335,200
10	\$175,000.00	\$335,200
TOTAL	\$1,050,000.00	\$2,682,800

The above-stated MGP assumes and is contingent upon the deployment and operation of 1,800 bikes in the Program (equaling a 100% deployment of bikes). In the event that less than 1,800 bikes are operating during a specific calendar year, the MGP shall be reduced proportionally by the number of bikes falling below the 100% deployment of 1,800. Conversely, if the number of bikes deployed exceeds 1,800, the MGP shall be increased proportionally. Credits will not exceed 50% of total MGP.

Liability

DecoBike will maintain insurance coverage for the operation of the Bikesharing Program. This will include liability insurance, auto and workers compensation insurance. DecoBike will name the City of San Diego as an additional insured on policies and indemnify the City for any claims, losses or damages suffered by third parties.

⁷ Advertising revenue excludes system sponsorship.

⁸ Does not include deductions for potential credits

Conclusion

By utilizing the City's Corporate Partnership Program, in cooperation with the Transportation Division, the City has negotiated a partnership with the selected partner, DecoBike. The proposed Corporate Partnership Agreement between the City and DecoBike will provide the City of San Diego residents and visitors with a privately funded public Bikesharing Program valued at approximately \$7.2 million, with DecoBike investing, developing, installing, marketing, operating and maintaining the Program. Upon Agreement acceptance, DecoBike will be the "Official Bikesharing Provider" of the City of San Diego.

The Bikesharing Program will be sustained through funds generated by user and membership fees and the sale of advertising. The limited and controlled advertising proposed as part of the program requires an exemption from the City's existing sign regulations and is consistent with and supports the objectives of those restrictions as part of a Program that will result in fewer vehicle trips, reduced traffic and parking congestion, and reduced noise and air pollution. The exemption is included in the proposed Ordinance approving the Agreement.

The City could experience potential loss of revenue from removal of metered parking spaces but an exact cost is unknown until site selection has occurred. Current estimates put this loss at 0.09% or less of total revenues received by the parking districts based on a total scenario of 10 metered spaces being utilized for stations. However, it should be noted that parking meter revenue can be allocated to uses such as promoting alternative forms of transportation to reduce parking demand, encourage use of solar-powered parking technology as well as provide for pedestrian comfort and convenience. Bikesharing should be considered as one of those uses.

FISCAL CONSIDERATIONS:

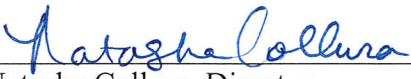
The overall fiscal impact depends on total revenue received, but current estimations indicate that the Program could provide anywhere from \$1 million to \$2.6 million over the ten year period, less any credits due. This does not reflect any potential parking revenue losses, which could range from averages of \$1,700 to \$2,500 per space, monthly, depending on location. Advertising revenue share will be deposited in the Transportation Division's budget for reinvestment back into bicycle programs. Membership or walk-up rentals revenue share will be deposited into the General Fund.

The term of the Corporate Partnership Agreement is ten years with two five year renewal options.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: Planned

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Bicycle Program Fund, General Fund and services for residents and visitors. Potential impact to passenger loading zones, parking spaces and parking metered revenue affecting City Parking Districts.



Natasha Collura, Director
Strategic Partnerships



Greg Bych
Interim Chief Financial Officer

Attachments:

- A. DecoBike Corporate Partnership Agreement Draft
- B. Community Outreach Letter
- C. DecoBike Proposed Timeline
- D. Bike Share References and Articles

**CITY OF SAN DIEGO
CORPORATE PARTNERSHIP PROGRAM**

CORPORATE PARTNERSHIP AGREEMENT

BETWEEN

THE CITY OF SAN DIEGO

AND

DECO BIKE, LLC

FOR

THE FINANCING, IMPLEMENTATION, MANAGEMENT AND OPERATION OF

A SELF-SERVICE BIKESHARING SYSTEM

WITH CITY MARKETING RIGHTS AND BENEFITS

**CORPORATE PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF SAN DIEGO
AND DECO BIKE, LLC
FOR THE FINANCING, IMPLEMENTATION, MANAGEMENT AND OPERATION
OF A SELF-SERVICE BIKESHARING SYSTEM
WITH CITY MARKETING RIGHTS AND BENEFITS**

This Corporate Partnership Agreement (Agreement), effective upon execution by authorized representatives of both parties and approval of the City Attorney (Effective Date), is made and entered into by and between the City of San Diego (City), a California municipal corporation with its principal place of business located at the City Administration Building, 202 C Street, San Diego, California 92101, and Deco Bike, LLC, (DecoBike), a _____ limited liability corporation with its principal office located at 41 NE 17 Terrace, Miami, Florida 33130 (collectively, the Parties).

WHEREAS, the City has developed a Corporate Partnership Program to generate revenue to fund existing and additional facilities, projects, programs and activities through the development of mutually beneficial marketing partnerships between the City and a corporation or other business entity, wherein the corporation provides cash and/or in-kind goods and/or services to the City in exchange for access to the commercial marketing potential associated with the City; and

WHEREAS, the City's mobility, sustainability, health, economic, and social goals reflected in the City's 2008 San Diego General Plan support goals and policies that will help bicycling become a more viable alternative mode of transportation for trips of less than five miles, to connect to transit, and for recreation, including providing safe, convenient, and adequate short-term and long-term bicycle parking facilities and other bicycle amenities for employment, retail, multifamily housing, schools and colleges, and transit facility uses (Mobility Element, Policy ME-F.4); providing bicycle facilities and amenities to help reduce the number of vehicle trips (Mobility Element, Policy ME-F.4.b); and investigating the potential for bikesharing stations/programs in medium/higher density areas (greater than 50 people/acre); and

WHEREAS, in May 2010, SANDAG adopted its regional bicycle plan, "Riding to 2050: San Diego Regional Bicycle Plan," which includes bikesharing as a program recommended for implementation in the region; and

WHEREAS, bikesharing programs provide affordable access to bicycles for short-distance trips in urban areas, provide an alternative to motorized public transportation or private vehicles, reduce traffic congestion, parking congestion, noise, and air pollution, connect users to public transit networks, address some of the primary disadvantages to bicycle ownership such as loss from theft or vandalism, lack of parking or storage, and maintenance, and are a favorable amenity for visitors; and

WHEREAS, the June 2012 report issued by the Mineta Transportation Institute, "Public Bikes sharing in North America: Early Operator and User Understanding," found that bikesharing results in fewer vehicle miles traveled, reduces greenhouse gas emissions, and creates green jobs related to system management and maintenance; and

WHEREAS, the City issued a Request for Sponsorships (RFS) under the Corporate Partnership Program to identify a corporate partner interested in working with the City to develop a bikesharing program based upon the following goals:

- Provide an affordable transportation alternative to driving for San Diego residents, commuters, and visitors;
- Facilitate an increase in transit use by providing a last-mile solution for commuters;
- Reduce vehicle trips and traffic;
- Make bicycle travel a viable option for people without bikes or no place to store bikes;
- Encourage new bicycle commuters;
- Promote commerce in the City by enhancing access to business, shopping, dining and entertainment venues;
- Create an integrated system that can expand to the San Diego region; and

WHEREAS, DecoBike specializes in the design, development, manufacture and operation of public bikesharing programs and systems for municipalities and other entities and currently operates bikesharing systems in Miami Beach, Florida and nearby communities, and in Long Beach, New York; and

WHEREAS, DecoBike submitted a proposal in response to the RFS and has demonstrated both its interest and ability to fund, implement, manage and operate a self-service bikesharing system within the City and to receive marketing rights and benefits from the City in conjunction therewith; and

WHEREAS, the City has determined that DecoBike's proposal meets the objectives of the Corporate Partnership Program and is otherwise in the best interests of the City;

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1 Corporate Partnership

In consideration of the rights, benefits, and privileges granted DecoBike in this Agreement, DecoBike agrees to design, implement, manage, operate and maintain a self-service Bikesharing System in the City of San Diego and agrees to provide City with a share of the revenues derived from the Program, subject to the terms and conditions set forth in this Agreement. As the City's corporate partner, City agrees that DecoBike shall have the exclusive right to be designated and referred to as the "Official Bikesharing Partner of the City of San Diego" and shall be entitled to certain Marketing Rights and Benefits as provided in this Agreement.

Section 2 Definitions

For the purpose of this Agreement, the following terms shall have the following meanings:

“Alternative Site Locations” shall mean Bikesharing Stations placed on private property, in another municipality’s right of way, or on property that is controlled or managed by an entity other than City.

“Annual Equipment Loss Report” shall mean an annual report listing all equipment that has been stolen, vandalized, not returned or destroyed.

“Annual Station Displacement Report” shall mean an annual report detailing all instances when bikeshare stations are removed from their intended locations, including locations, duration of displacement, reason for displacement, name and position of staff that requested the removal, other relevant details, and the total amount of any resulting offset against gross sales receipts.

“Average Program Usage” (APU) shall mean the average number of bicycle trips per day per Kiosk during a given calendar month.

“Average Theft-Vandalism Rate” (ATVR) shall mean the average number of acts of theft or vandalism per Kiosk during a given calendar month.

“Bikesharing Station” or “Station” shall mean the following items located within a Station Area: docking structure, Kiosk, map display and system bicycles.

“Bikesharing System” or “System” shall mean an automated system in which bicycles are made available for shared use via membership subscriptions or short term rentals to individuals who do not own them. As used herein, Bikesharing System shall specifically mean the Bikesharing System that is the subject of this Agreement.

“Contract Year” shall mean a 365 day period commencing on the month and day of the first Operational Rollout or anniversary thereof.

“Effective Date” shall mean the date this Agreement has been signed by both parties and approved by the City Attorney.

“High-Risk Station Area” shall mean any Station Area that experiences a rate of theft and/or vandalism that is higher by 50% or more than the Average Theft-Vandalism Rate; or as may otherwise be reasonably demonstrated by DecoBike and agreed to by City.

“Implementation Plan” shall mean the plan prepared by DecoBike and approved by City for installation of the Station Areas and Operational Rollout, as described in Section 6.

“Kiosk” shall mean the physical structure and housing for the automated payment terminal at which users can access the Bikesharing System with a membership card, pay for a rental with a credit or debit card, and receive information about the Bikesharing System and its sponsors.

“Kiosk Displacement” or “Station Displacement” shall mean the removal of a Kiosk or Station from an existing and approved Station Area for reasons beyond the control of DecoBike.

“Marketing Plan” shall mean DecoBike’s plan for marketing the Bikesharing System, referenced in Section 6.6.

"Marketing Rights and Benefits" shall mean those opportunities provided by City to DecoBike as set forth in Section 10 of this Agreement to promote DecoBike and bikesharing in the City of San Diego.

“Membership Reciprocity” shall mean the permission granted to membership subscribers of the Bikesharing System (not walk-up renters) by DecoBike to access other bikesharing programs operated by DecoBike in other municipalities without additional charge.

“Membership Subscription” shall mean a one-time or recurring membership that provides a user access to the Bikesharing System for an unlimited number of times per day, for a limited period of time for each use, during the term of the membership.

“Operational Ceiling” shall mean the maximum number of bicycles permitted to be operating and available to the public at any time under the terms of this Agreement.

“Operational Rollout” shall mean the day on which the majority of the Bikesharing Stations for a particular phase of the implementation are made generally available to the public. DecoBike shall provide City 30 days prior written notice of the date for an Operational Rollout.

“Site List” shall mean the list of Station Area locations that is included as part of the Implementation Plan and approved by City.

“Site Plan” shall mean the general plan for the placement of equipment at a Bikesharing Station, as shown in Exhibit 4.2.4.

“Sponsorship” shall mean an agreement for provide financial support for the Bikesharing System that may include the right to sponsor identification through display of the sponsor’s logo, name, and/or slogan at one or more Bikesharing Stations as shown in Exhibit 6.7 or otherwise in conjunction with the Program. Sponsorship shall not include the right to advertise products or services.

“Station Area” shall mean any of the sites designated for location of a Bikesharing Station.

“Station Service Zone” shall mean the geographical scope of the Bikesharing System, and shall include all Station Areas within the City’s limits.

“Underutilized Station Area” shall mean any Station Area that falls below 50% or less of the Average Program Usage, or based on other measures reasonably demonstrated by DecoBike and agreed to by City.

Section 3 Term

- 3.1 Term. This Agreement shall commence on the Effective Date and shall end ten (10) years from the date of Operational Rollout for the first phase of implementation (Phase I Operational Rollout).
- 3.2 Date and Notice of Phase I Operational Rollout. Phase I Operational Rollout shall take place no later than nine (9) months from the Effective Date of this agreement. DecoBike shall provide City with at least thirty (30) days prior written notice of the date for Phase I Operational Rollout.
- 3.3 Extension of Time for Phase I Operational Rollout. Should DecoBike experience delays beyond its control while attempting to obtain materials, permits or other needed governmental approvals, City shall extend the time for the Phase I Operational Rollout upon DecoBike’s written request including the reason for the request, the anticipated period of time requested, and documentation of the delays. Any such extensions shall not exceed six (6) months in total.
- 3.4 Renewal. The Parties may renew this Agreement on the same terms and conditions specified in this Agreement for up to two (2) additional five (5) year terms. Any such renewal shall be in writing executed by the Parties.

Section 4 Bikesharing System Requirements

It is the intent of City and DecoBike in entering into this Agreement to develop and promote a world class Bikesharing System employing high-quality equipment and best operational and maintenance standards and practices.

- 4.1 Bikesharing System. DecoBike shall design and implement, as provided by this Agreement, a Bikesharing System for the provision of bikesharing services and rentals at automated self-service Kiosks offering both short-term rentals and membership subscriptions, and using the rates, hours, and equipment as provided in this Agreement.
- 4.2 Bikesharing Equipment. DecoBike shall, at its sole cost and expense, provide all of the equipment necessary for operation of the Bikesharing System, including docking structures, Kiosks, map displays and System bicycles.
 - 4.2.1 Kiosks and Docking Structures. DecoBike shall, at its sole cost and expense, fabricate, construct, and install (or cause to be fabricated, constructed, and installed) Bicycle Stations with Kiosks and docking structures within designated Station Areas, generally as depicted in Exhibit 4.2.4. DecoBike shall be responsible for preparation of any and all plans and specifications for same, and

shall be responsible for obtaining all required governmental approvals and compliance with all applicable laws and regulations.

- 4.2.2 Bicycles. DecoBike shall provide bicycles of the type and meeting the specifications as set forth in Exhibit 4.2.2, attached hereto, in the number set forth in the Implementation Plan and approved by City. The bicycles shall at all times be equipped with the working components necessary to work with the docking stations and be a functional part of the Bikesharing System.
- 4.2.3 Bicycle Helmets. DecoBike shall develop and implement a strategy for promoting the use of bicycle helmets, including, for example, free helmets with membership subscriptions, discount coupons for the purchase of helmets, and low-cost helmets available for sale at nearby retail outlets.
- 4.2.4 Placement of Equipment. DecoBike shall locate the Kiosks, docking stations, and bicycles within each individual Station Area substantially in accordance with the Site Plan to be developed and approved by City for that Station Area. (See Exhibit 4.2.4 attached hereto for a typical configuration.) The Parties agree and acknowledge that the docking structures are modular and can be expanded as needed on a site by site basis, and such expansion does not materially deviate from the site plans. Docking stations, in general, will range from a capacity of 16 to 32 docks each. DecoBike shall not materially deviate from the approved Site Plan and Site List without the prior written consent of the City.
- 4.2.5 Changes to the design of the equipment may be proposed by DecoBike and approved by City provided such changes do not appreciably diminish the quality or performance of the equipment or of the Bikesharing System. Any other changes shall require amendment of this Agreement.
- 4.3 Equipment Upgrades. DecoBike may desire to add new technologies or equipment which may be developed in the future and are not contemplated in this Agreement. In addition to Section 4.2.5, in the event DecoBike determines a new type of equipment or technology should be used in the System, DecoBike shall make a request in writing to City outlining the proposed new equipment or technologies and the advantages for as well as any potential disadvantages to their implementation. City shall use reasonable efforts to approve or deny such request within thirty (30) days. In the event such a request is denied, City shall provide a detailed explanation stating why such changes or addition of new equipment or technology should not be implemented. Approved equipment or technology shall be implemented by DecoBike at its sole cost.
- 4.4 Station Area Signage. Each Station Area shall include a two-sided advertising panel with the specifications and generally placed as shown in Exhibit 4.4. The advertising panel and advertising space on the Kiosk shall be used exclusively for advertising to generate income to support the Bikesharing System, roadway improvements for bicycles, or other enhancements to serve the bicycle-riding public. The advertising space may also be used to promote the Bikesharing System or traffic or bicycle safety.

Section 5 Selection of Station Area Sites and Community Outreach

Subject to City's approval as provided herein, DecoBike shall determine the number, location, and size of the Bikesharing Stations using the information gained from the analysis set forth below, and taking into consideration input received through outreach to stakeholders and the community.

5.1 Station Area Analysis. DecoBike shall conduct the following analysis to identify locations for Bikesharing Stations:

- Establish a general service grid that interfaces with existing bicycle infrastructure and master plans and takes into consideration proximity to other forms of public transportation including bus, trolley, and train stops, as well as parking garages and commuter parking lots
- Target areas with high density residential and commercial uses including areas with dense retail and food and beverage establishments
- Identify sites where bikesharing may provide a practical alternative including shopping centers, grocery and drug stores, banks, retail, entertainment, major hotels, major multi-family residential developments, and public attractions such as parks, beaches and museums
- Assess the visibility and accessibility of the location
- No Station shall be located in a designated environmentally sensitive area, along a scenic highway, on a designated hazardous waste site, or so as to impact the significance of a historical resource

5.2 Stakeholder and Community Outreach. In the first 60 days following the Effective Date, DecoBike shall conduct at least two public meetings for the purpose of soliciting input from key stakeholders and interested community groups. DecoBike shall work with City to identify the key stakeholders and community groups and City may request that DecoBike participate in additional public presentations, workshops, or community meetings, as needed for review and input from stakeholder and community groups. DecoBike shall summarize the public input received from all sources and provide it to City with the proposed Implementation Plan.

5.3 Map and Site Visits. Within 60 days following the Effective Date, DecoBike shall conduct site visits and shall photograph and plot all identified potential Station Area locations, and work with City to identify and resolve any conflicts or issues for each potential site.

5.4 Site List. Based on its analysis of the criteria listed in Section 5.1 above, community and stakeholder input, City's input, and DecoBike's reasonable business judgment, DecoBike shall provide City with a list of proposed Station Areas for City's review and approval. DecoBike shall include the map and list of Station Area locations as part of the Implementation Plan.

- 5.5 Bikesharing Website. DecoBike shall, in coordination with City, launch and maintain during the term of this Agreement a website to provide information about implementation, collect comments from the public, and serve as an ongoing resource for information about rates, memberships, locations, and as a marketing tool. DecoBike shall update the website on a regular basis with information regarding progress of implementation, proposed sites for Stations, notifications, contact information, notices and information as requested by City, and other information of interest to the community and System members.
- 5.6 Use of Alternative Site Locations. In order to make the program available to as many residents, visitors and areas as possible and to effectuate regional mobility and connectivity, DecoBike may, as needed and in its sole discretion, choose locations for Station Areas on private property, in another municipality's right of way, or on a property that is controlled or managed by an entity other than City. Such installations must comply with all applicable laws, regulations, and approval processes. DecoBike shall list all Alternative Site Locations on the Site List and shall provide City with the anticipated terms for placement of each such Station. Any fee charged by DecoBike to the private property owner for placement of the Station shall not be subject to the revenue sharing provisions of Section 9.
- 5.7 Removal of Parking Meters. The Site List shall indicate whether the removal of one or more existing parking meters is necessary to install a Bikesharing Station in that location. City's approval of the Site List shall constitute approval of the removal of the meters as indicated. City shall be solely responsible for removal of the meters and the loss of revenue resulting therefrom. DecoBike shall not be responsible for any lost revenue to City resulting from the removal of parking meters to accommodate Bikesharing Stations.

Section 6 Implementation

DecoBike shall implement the Bikesharing Program, including installation, operation, management, maintenance, and marketing, during the Term consistent with the approved Implementation Plan and the terms and conditions of this Agreement. The size and scope of the Bikesharing System, the Operational Ceiling, and location of the Bikesharing Stations, may be modified as needed upon mutual written agreement of DecoBike and City.

- 6.1 Implementation Plan. DecoBike shall develop, prepare and submit a plan to City for implementation of the Bikesharing System (Implementation Plan) consistent with the parameters for the program set forth in this section. The Implementation Plan shall identify the phases for the implementation of the Bikesharing System in different areas of the City, the geographical area and boundaries for each phase, and shall include the Site List, map, summary of public comments, Implementation Schedule, and Marketing Plan.

DecoBike shall submit the Implementation Plan, including Site List, map, summary of public comments, Implementation Schedule, and Marketing Plan, to City within ninety (90) days of the Effective Date of this Agreement. Within ten (10) business days of receipt of the Implementation Plan, City shall review and approve, or shall provide its

comments to DecoBike. If City provides comments, DecoBike and City shall meet within one week to discuss the comments and agree upon any necessary changes. Once resolved, the plan shall be deemed approved by City, and DecoBike shall move forward to implement the Program based upon the approved plan, along with any subsequent changes agreed to by the Parties. In no event may approval be unreasonably withheld.

- 6.2 Implementation Schedule. DecoBike shall prepare a detailed Implementation Schedule for installation of Bicycle Stations leading up to Operational Rollout for each Phase. The Implementation Schedule shall be attached and incorporated as Exhibit 6.2 to this Agreement.

The Parties shall use their best efforts to adhere to the Implementation Schedule. DecoBike may, upon written request to City, seek extension of specific dates in the Implementation Schedule. DecoBike shall state the reason for the request and the anticipated period of time requested. City shall not unreasonably withhold its approval.

- 6.2.1 Phase I Operational Rollout. DecoBike and City shall agree upon a detailed schedule for installation of the Bicycle Stations for Phase I, in three sub-phases of installation as reflected in Exhibit 6.2, and the date for Operational Rollout for each sub-phase. These dates shall be included in the Implementation Schedule.
- 6.2.2 Phase I Operational Ceiling. Phase I shall be implemented using an operational ceiling of 1,800 bicycles and 180 Station Areas. City and DecoBike may agree to add additional bikes and/or stations to the Station Service Zone for Phase I if it is determined and mutually agreed that there are not enough bicycles or locations to meet demand.
- 6.3 Equipment Design. DecoBike shall provide, at its sole cost and expense, any and all design services including, but not limited to, architectural and engineering services, as reasonably required for design and installation of the Kiosks and docking structures.
- 6.4 Use of Right-of-Way and Encroachment Removal. City grants to DecoBike permission to encroach into the public right-of-way by installing and maintaining the Bikes sharing Stations at the specific Station Areas agreed to by City and DecoBike as provided for in this Agreement, for the benefit of the public and as part of the Bikes sharing System. In consideration of this grant of permission, DecoBike covenants and agrees with City as follows:
- 6.4.1 DecoBike shall install and maintain the Bikes sharing Stations in a safe and sanitary condition at its sole cost, risk and responsibility.
- 6.4.2 DecoBike shall defend, indemnify, protect and hold harmless City, its agents, officers, and employees from and against any and all liability as required in Section 14 of this Agreement, including claims asserted, demands, causes of action, costs, expenses, losses, attorney fees, damages, expenses or payments arising from, related to, or resulting from the construction, maintenance, state of

use, repair, or presence of the Bikesharing Station or Stations in the public right-of-way.

- 6.4.3 DecoBike shall remove, relocate or restore the Bikesharing Station as directed by the City Engineer within thirty (30) calendar days of written notice from City, or in the case of an emergency as determined by City, City may request that the work be done immediately or within less than thirty (30) calendar days. If DecoBike fails to remove, relocate or restore or otherwise comply with the direction of the City Engineer regarding the encroachment, City may cause the work to be done and charge DecoBike for such costs. City's requests for removal or relocation shall be subject to the fees provided in Section 9.5.2. City's request to remove, relocate, or restore the encroachment shall not be arbitrary or without reason.
- 6.4.4 Whatever rights and obligations were acquired by the City with respect to the rights-of-way shall remain and continue in full force and effect and shall in no way be affected by the City's grant of permission to construct and maintain the Bikesharing Stations.
- 6.4.5 DecoBike shall maintain insurance to protect the City from any potential claims which may arise from location and maintenance of Bikesharing Stations in the rights-of-way, as required by Section 13 of this Agreement.
- 6.5 Installation of Bikesharing Facilities. DecoBike shall erect, install, operate, and maintain, at its sole cost and expense, and at no cost to City, the Bikesharing Stations and all related equipment.
- DecoBike shall not erect, install, operate, or maintain additional Kiosks or docking structures (except for a temporary installation while DecoBike is undertaking the repair or replacement of existing equipment), nor identify additional or alternate locations for same, without City's prior written approval.
- 6.6 Marketing Plan. DecoBike shall implement a plan to market the Bikesharing System to residents and visitors for membership, use, and growth of the Bikesharing System (Marketing Plan). The Marketing Plan may include combined efforts with the City as part of and to implement the marketing benefits granted to DecoBike by the City as set forth in Section 10 of this Agreement.
- 6.7 Sponsorships and Advertising. DecoBike shall be responsible for securing sponsors and for the sale of all advertising to be displayed on System bicycles, Kiosks, and the advertising panels referenced in Section 4.4. Sponsorship messages and advertising shall be displayed as set forth in Exhibits 4.4 and 6.7. All advertising shall comply with the criteria set forth in Exhibit 6.8, consistent with the City of San Diego's Advertising Policy for Advertising on Bus Stop Shelters and Benches.

Section 7 Operation of the Bikesharing System

DecoBike shall be responsible for all operations of the Bikesharing System, including operation and maintenance of all bicycles, docking structures, Kiosks, and Bikesharing Stations.

- 7.1 Maintenance of Bicycles. DecoBike shall maintain its bicycles in good working order and repair. At a minimum, this shall require the following: chain in good working order and free of rust; all moving components lubed; bicycle frame and fork structurally sound and in a clean condition; lights and reflectors functioning as designed; pedals in functional order; brakes functioning properly; handlebars properly attached and functional; tires inflated and free of excessive wear; wheels/spokes functional and free of excessive wear; seat in proper working order; all bolts and nuts properly secured and functioning as designed. See Exhibit 4.2.2.
- 7.2 Maintenance of Bikesharing Stations. DecoBike shall maintain the Bikesharing Stations, including the Kiosks, bicycles, and docking structures free of graffiti and in good, clean working order and repair, including the removal of trash from the Station Area. DecoBike may perform light maintenance and small repair jobs at the Stations to minimize downtime. Moderate or heavy maintenance may require removal of the equipment for service at DecoBike's repair center.
- 7.3 Repair Response Time. In the event that a Kiosk or docking structure is damaged for any reason, DecoBike shall promptly commence repairs or replace the damaged equipment to minimize any impact on System operations. At a minimum, repairs or replacement shall be completed no later than ten (10) days from the date DecoBike first becomes aware (or should be aware) of the damage.
- In the event that a bicycle is damaged for any reason, DecoBike shall promptly commence repairs, replace the bicycle, or rebalance the bicycles within the System to minimize impact on System operations. In any event, the damaged bicycle shall be repaired and put back into service or replaced within ten (10) days.
- 7.4 Temporary Use of Metered or Otherwise Restricted Parking for Maintenance. DecoBike may park its maintenance vehicle in any legal public on-street metered or unmetered parking space that is adjacent to or near the Bikesharing Station while maintenance is being performed. Such maintenance vehicle must be clearly marked with the identifiers of the Bikesharing System. DecoBike shall not be obligated to pay or observe the time limits for such parking as long as the parking space is being used in the course of maintenance for the System. DecoBike may not park in spaces that are restricted for handicapped parking or during hours restricted for street sweeping. DecoBike may not park in spaces restricted for permitted residential parking, except as may be specifically authorized by the City in writing.
- 7.5 Equipment Inventory. Following the Effective Date, City may, at its option, request that DecoBike provide it with a full inventory of all program equipment, including types and numbers (per item); dates of lease and/or purchase; and initial condition (established as of the date of inventory).

- 7.6 Annual Equipment Loss Report. DecoBike shall track all material damage and loss to Bikessharing System equipment and shall report such damage and loss to City quarterly and in an Annual Equipment Loss Report. The Report shall list all equipment that has been stolen, vandalized, not returned or destroyed, the location of such loss or damage, the actual costs incurred by DecoBike in repairing and replacing the equipment, and the cost of any lost equipment that is not replaced. The Report shall be provided by DecoBike to City within 30 days of the end of each Contract Year.
- 7.7 Temporary Station Displacement or Relocation. City may request the temporary removal of all or part of a Station Area for street repair, access to utilities, construction, special events, or other reasons. City and DecoBike shall make reasonable efforts to relocate the Station to an alternative temporary location that will serve users in the same or reasonably similar capacity. DecoBike shall be entitled to an offset against gross revenue for costs and lost sales for displacement of a Kiosk as provided in Section 9.5.2.
- 7.8 Special Events. DecoBike may request the temporary placement of a Bikessharing Station for the purpose of participating in or accommodating a special event. City shall not be responsible for costs associated with such requests, including installation or removal of such stations, and DecoBike shall not be entitled to offsets under Section 9.5.2 related to costs for such requests. DecoBike shall work directly with the organizer of the special event for permission to temporarily place a Bikessharing Station within a special event venue.
- 7.8.1 Temporary Increase in Operational Ceiling. DecoBike may request and City may authorize an increase in the Operational Ceiling on a temporary basis for special events or conventions, specifying the dates and number of additional bicycles permitted. Any such authorization shall be made by City in writing in advance of the event.
- 7.8.2 Closure of Stations for Special Events. If an existing Bikessharing Station is located within the footprint of a permitted special event for which public transportation is not permitted to run within the venue during the event, then at City's request, DecoBike shall render the Station non-operable during the event.
- 7.9 Rental and Membership Rates. Rates for Bikessharing System rentals and membership subscriptions shall be structured as set forth in Exhibit 7.9 and shall be based on the projected rates set forth therein. The rates to be charged at the time of Operational Rollout shall be provided to City for its approval with the Implementation Plan. Any changes in rental or subscription rates exceeding agreed upon ranges or annual increases shall be approved in writing by City prior to such changes being implemented.
- 7.10 Membership Subscription Reciprocity. DecoBike, at its sole option, may permit holders of Membership Subscriptions (not casual walk-up renters) from other bikesharing systems it owns or manages to access bikes in its City of San Diego program, and, conversely DecoBike may permit holders of Membership Subscriptions from its City of San Diego program to access other bikesharing programs it owns or manages.

Section 8 Relocation of Station Areas

Station Areas may be added, removed, or relocated based on usage, theft and vandalism, access for street repairs or utility work, special events, or for other reasons.

- 8.1 Relocation of Station Area. In the event that a designated Station Area is found to be unsuitable, whether before or after installation of the Bikesharing Station, DecoBike and City shall use reasonable efforts to expeditiously identify a suitable substitute location within a distance equal to one block of the original location. The parties shall endeavor to identify and agree upon the new location within thirty (30) days, and shall amend Exhibit 2 to reflect the new location.
- 8.2 Addition of Station Area. In the event that DecoBike recommends the addition of a new Station Area not included in the approved Implementation Plan, DecoBike and City shall use reasonable efforts to expeditiously identify a suitable substitute location in the area recommended by DecoBike. The parties shall endeavor to identify and agree upon the new location within thirty (30) days, and shall amend Exhibit 2 to reflect the new location.
- 8.3 Removal or Relocation of Underutilized Station Area. If DecoBike determines, based upon an evaluation of Station usage by DecoBike over a three-month period, that a Station Area is underutilized, DecoBike shall make a recommendation to City to keep, remove, or relocate the Underutilized Station Area. DecoBike's recommendation shall be supported by usage data and other relevant information, including community support for or against the recommendation. City shall review the recommendation and, if the usage data demonstrates that daily rentals or member uses originating from or returning to that Station Area is below 50% of the Average Program Usage for three consecutive months, City shall approve a recommendation for removal of the Station Area. Relocation of the Station Area to a new site shall require City's approval per Section 8.2.
- Prior to City's approval, City may request that DecoBike obtain input from the community at a community meeting regarding the existing Station Area, its use, and alternative sites. If DecoBike and City determine that although underutilized, the Station Area is highly desired by the community, DecoBike shall evaluate relocation to a site in close proximity to the existing site, and shall consider any funding available through donations, sponsorships, grants or otherwise, to maintain the Station Area at its existing location.
- 8.4 Removal or Relocation of High-Risk Station Area. If DecoBike determines, based upon an evaluation of the incidences of theft and vandalism per month over a three-month period that a Station Area is at high risk for theft or vandalism, DecoBike shall make a recommendation to City to keep, remove, or relocate the High-Risk Station Area. DecoBike's recommendation shall be supported by crime data, usage data, and other relevant information, including community support for or against the recommendation. City shall review the recommendation and, if the crime data demonstrates that incidences of theft and vandalism per month have exceeded the Average Theft/Vandalism Rate by 50% or more for three consecutive months or more, City shall approve

a recommendation for removal of the Station Area. Relocation of the Station Area to a new site shall require City's approval per Section 8.2.

Section 9 Payment

In consideration of the rights, benefits, and privileges granted DecoBike in this Agreement, including the installation, operation, and maintenance of the Bikesharing System and Signage pursuant to the terms of this Agreement, and as further explained below, DecoBike agrees to pay City a Marketing Rights Fee consisting of a commission on the total gross revenue from (1) the sales of advertising on bikes and advertising at Station Areas on Kiosks and advertising panels (Advertising Commission) and (2) a commission on the total gross revenue from the sales of memberships and bicycle rentals (Sales Commission). Commission payments shall be based on the Contract Year, as follows:

- 9.1 Contract Year 1—Guaranteed Commission. For the first year of operation, DecoBike shall pay City a combined guaranteed commission of \$25,000, less any credits due, in one lump sum on or before twelve months following the date of the Phase I Operational Rollout.
- 9.2 Contract Years 2 through 10—Minimum Guaranteed Payment. For the second through tenth years of operation, DecoBike shall pay City the greater of the combined Sales and Advertising Commissions, less any credits due, or the Minimum Guaranteed Payment (MGP) specified below and adjusted for the size of the fleet. DecoBike shall pay Sales and Advertising Commissions on a quarterly basis as set forth in Sections 9.3 and 9.4, with a reconciliation against the MGP at Contract Year end, as set forth in Section 9.8.

Year:	Minimum Guaranteed Payment:
2	\$ 50,000.00
3	\$ 100,000.00
4	\$ 100,000.00
5	\$ 125,000.00
6	\$ 125,000.00
7	\$ 150,000.00
8	\$ 150,000.00
9	\$ 150,000.00
10	\$ 175,000.00
TOTAL	\$ 1,050,000.00

The above-stated MGP assumes and is contingent upon the deployment and operation of 1,800 bikes in the program (equaling a 100% deployment of bikes). In the event less than 1,800 bikes are operating during a specific calendar year, the MGP shall be reduced proportionally by the number of bikes falling below the 100% deployment of 1,800. Conversely, if the number of bikes deployed exceeds 1,800, the MGP shall be increased proportionally.

For the purpose of this section, the number of bikes deployed means the number of bikes in the System on the last day of each quarter, averaged for the Contract Year.

- 9.3 Payment of Advertising Commission. The Advertising Commission shall be 15% of all income retained or accrued by DecoBike for sales of advertising carried on bikes or displayed at a Station Area or other Bikesharing System facility. Beginning with Contract Year 2, Advertising Commission shall be due and payable by DecoBike to City thirty (30) days following the end of each quarter.
- 9.3.1 Sponsorship Revenues. For the purpose of calculating the Advertising Commission, advertising sales revenues shall not include funds generated through a sponsorship approved by City and used to pay for infrastructure and equipment costs for the Bikesharing System.
- 9.3.2 Advertising Revenue from Station Areas Located on Alternative Sites. For the purpose of calculating the Advertising Commission, revenue generated from sales of advertising displayed at an Alternative Site Location shall be included in the income subject to revenue sharing.
- 9.3.3 Offset for Advertising Sales Costs. For the purpose of calculating the Advertising Commission, costs incurred in the sale of advertising, such as fees or commissions charged by, or due to, outside agencies for assisting DecoBike in obtaining sponsors or advertisers shall be subtracted from advertising sales revenues. DecoBike shall provide supporting documents for each such occurrence detailing the applicable commissions and fees.
- 9.4 Payment of Sales Commission. The Sales Commission shall be 8% of all income retained or accrued by DecoBike for membership sales and bike rentals for average sales per bike up to \$3500, and 10% for average sales per bike over \$3500, only on sales revenues that exceed \$2500 average per bike in a given Contract Year. Beginning with Contract Year 2, Sales Commission shall be due and payable by DecoBike to City thirty (30) days following the end of each quarter (based on a July 1 to June 30 fiscal year). Average per bike revenue shall be calculated using the number of bikes in the System on the last day of the quarter, and the sales revenues for that quarter.
- 9.4.1 Sales Taxes. For the purpose of calculating Sales Commission and the average per bike sales, sales revenues shall not include Federal, State, or City sales or other taxes, collected by DecoBike from customers and required by law to be remitted to the taxing or other governmental authority.
- 9.4.2 Revenue from Station Areas Located on Alternative Sites. For the purpose of calculating Sales Commission, revenue generated from sales through a Kiosk at an Alternative Site Location shall not be subject to revenue sharing.
- 9.5 Credits Against Commissions. The following credits shall be applied against any commissions due City:

9.5.1 Replacement Credit. To alleviate any undue burden for actions of the public that are beyond DecoBike's control, DecoBike shall be entitled to a credit against any Commission due City for the total actual cost for the repair and replacement of stolen, vandalized, not returned or destroyed equipment in that Contract Year (the Replacement Credit). DecoBike shall provide such information to City quarterly and provide City with an annual report (Annual Equipment Loss Report") listing all equipment that has been stolen, vandalized, not returned or destroyed, the actual costs incurred for repair or replacement of that equipment, and the location of the loss or damage. This credit does not include costs attributable to stolen, vandalized, not returned or damaged equipment from Station Areas located at an Alternative Site Location. The Report shall be submitted to City within 30 days of the end of each Contract Year.

9.5.2 Kiosk Displacement Charge. In the event that the City requests the temporary removal of an installed Kiosk pursuant to Section 7.7 above, the amount of gross revenues shall be reduced by \$750 plus \$100 per day that the Kiosk is displaced to offset the cost of removal and lost revenues. The \$100 per day offset shall not apply if an alternative reasonable and suitable location is made available in the immediate area to serve users in the same or reasonably similar capacity. If below grade improvements are required to accommodate the temporary displacement and relocation of a Kiosk, the offset shall include the cost of such improvements. Delays attributable to DecoBike shall not be grounds for additional credit.

DecoBike shall submit an annual report listing each instance and the location, duration of displacement, reason for displacement, name and position of staff that requested the removal, any other relevant details and set forth the total offset amount (Annual Station Displacement Report). DecoBike shall submit the Report to City for its approval within 30 days of the end of the Contract Year. City shall respond within thirty (30) days of submission and City's approval shall not be unreasonably withheld.

9.5.3 Cap on Credits. The total credits applied against commissions or the minimum guaranteed payment (whichever applies) due City for any given Contract Year shall not exceed 50% of the base commissions or minimum guaranteed payment.

9.6 Commission Calculation Example. For illustration purposes only, the following are examples of the calculation of the City's revenue share for a hypothetical Contract Year.

Scenario 1

Assuming:

- An average of 1800 bikes deployed in Contract Year 2
- DecoBike incurred \$20,000 in repair and replacement costs for bikes that were lost, stolen, or vandalized
- DecoBike earned \$1,477,440 in gross revenue attributable to advertising sales
- DecoBike incurred \$15,000 in costs attributable to advertising sales

- DecoBike earned \$2,955,000 in gross revenue attributable to bike rentals and membership sales
- DecoBike was required by the City to move a Station to a nearby location for three days (\$2000), and to remove another Station for a period of four hours (\$1000)

Then:

- (1) Average sales per bike = $\$2,955,000 \div 1800 = \1642 per bike
- (2) Advertising Commission = $(\$1,477,440 - \$15,000) \times 15\% = \$219,366$
- (3) Sales Commission does not apply because the average revenues per bike did not exceed \$2500
- (4) Advertising Commission exceeds Minimum Guaranteed Commission of \$50,000, so Advertising Commission applies
- (5) Advertising Commission less replacement and kiosk displacement credits equals the City's net revenue share $(\$219,366 - \$23,000)$ of \$196,366

Scenario 2

Assuming:

- An average of 1800 bikes deployed in Contract Year 3
- DecoBike incurred \$30,000 in repair and replacement costs for bikes that were lost, stolen, or vandalized
- DecoBike earned \$2,147,000 in gross revenue attributable to advertising sales
- DecoBike incurred \$25,000 in costs attributable to advertising sales
- DecoBike earned \$4,950,000 in gross revenue attributable to bike rentals and membership sales
- Due to construction, DecoBike was required by the City to remove a Station for 15 days (\$1500 to remove and reinstall plus \$1500 for days out of service), and to move Stations to a temporary location on five different occasions (\$5000)

Then:

- (1) Average sales per bike = $\$4,950,000 \div 1800 = \2750 per bike
- (2) Advertising Commission = $(\$2,147,000 - \$25,000) \times 15\% = \$318,300$
- (3) Sales Commission = $(\$2750 - \$2500) \times 1800 = \$450,000 \times 8\% = \$36,000$
- (4) Commissions exceed Minimum Guaranteed Commission of \$100,000, so Commissions apply
- (5) Commission less credits equal the City's net revenue share $(\$318,300 + \$36,000 - \$38,000)$ of \$316,300

9.7 Revenue from Other Ticket Sales.

9.7.1 Revenue from Transportation Ticket Sales. To enhance the community's multimodal transportation capacity, DecoBike shall, at its option, be permitted to vend and dispense third party tickets or passes using existing Kiosks for other modes of public transportations such as taxis, trains, trams, water taxis, and buses. Any revenues from such sales shall not be included in gross sales receipts.

- 9.7.2 Revenue from other ticket sales, such as tickets for events, performances, or attractions, shall not be included in gross sales receipts, but shall be separately accounted for, and City shall be entitled to 50% of the net revenue of all such sales.
- 9.8 Reconciliation. Within thirty (30) days of the end of each Contract Year, DecoBike shall provide a report to City reconciling the Advertising Commission and Sales Commission payments made during that Contract Year with the Contract Year end results (Reconciliation Report). With the Report, DecoBike shall make any additional payment due City, or if City was overpaid, shall deduct that amount from City's next payment due.
- 9.9 Grant Opportunities. DecoBike and City shall work together to identify, develop and apply for grant opportunities to expand or otherwise benefit the Bikesharing System and its users.
- 9.10 Interest for Late Payment. Any payment which DecoBike is required to make to City which is not paid on or before the respective date provided for in this Agreement shall be subject to interest at the rate of ten (10%) percent per annum from the due date of payment until such time as payment is actually received by the City.
- 9.11 Sales and Use Tax. Any required California State Sales and Use Tax, or similar State tax, levy, assessment or imposition shall be paid by DecoBike directly or added to payments and forwarded to the City as part of said payments. It is the City's intent that it is to receive all payments due from Station as net of such California State Sales and Use Tax.
- 9.12 Inspection and Audit of Records. Upon City's request, DecoBike shall promptly provide to the City the data and records to verify its performance of this Agreement in accordance with its terms and conditions. DecoBike shall make such information available to the City electronically or at reasonable times and locations in the City of San Diego upon City's request. DecoBike shall maintain such data and records for a period of not less than four years following receipt of final payment under this Agreement.
- 9.13 Contract Administrator. The Deputy Director of the City's Transportation & Engineering Operations Division is designated as the Contract Administrator for all aspects of this Agreement, except as to Section 10, Marketing Rights and Partnership Benefits. The Director of the City's Corporate Partnership Program is designated as the Contract Administrator for Section 6.6, Marketing Plan; Section 6.7, Sponsorships and Advertising; and Section 10, Marketing Rights and Partnership Benefits. The respective Contract Administrator shall be DecoBike's primary contact and shall receive on behalf of the City the Implementation Plan and all other plans, schedules, and reports and shall communicate with DecoBike regarding any approvals or decisions that need to be made by the City. All notices shall be sent in accordance with Section 18.1, Notices, herein.
- 9.13 City Approval. The approval or consent of City, wherever required in this Agreement, shall mean the written approval or consent of the Mayor's designees as set forth in

Section 9.13, unless otherwise specified, without need for further action by the City Council.

Section 10. Marketing Rights and Partnership Benefits

The City agrees to provide DecoBike the following Marketing Rights and Benefits set forth below and in Exhibit 10, “DecoBike’s Marketing Opportunities,” attached to this Agreement and incorporated herein, for the Term of this Agreement:

- 10.1 Official Partner. DecoBike shall have the exclusive right to be designated and referred to as the "Official Bikesharing Provider of the City of San Diego" and to use said designation in promotional and marketing efforts including press releases, stories, features and other publicity initiated by DecoBike or the City.
- 10.2 Promotional Materials and Prior Approval. The City will work with DecoBike to develop press releases, stories, features and other publicity about the partnership for distribution to media outlets upon the execution of this Agreement. DecoBike and the City agree to develop a joint logo and templates for advertisements, promotional materials, promotional campaigns, product placement and appearance and any and all other materials that represent DecoBike’s efforts to publicize and/or promote the rights and benefits granted to it under this Agreement. The City shall work with DecoBike to pre-approve such templates for immediate use without further approval, although the City may reserve the right for further review and approval, if needed. Press releases, quotes of City officials and employees, and any affiliation of City with advertisers or sponsors, shall be subject to the City’s approval. DecoBike shall submit materials for which the City is requiring approval to the City not less than five (5) business days prior to the proposed release to the public.
- 10.3 Access to City Employees. DecoBike shall have the right to provide the City with promotional emails to forward to employees and to offer memberships to City employees, retirees and family members at preferred terms through the City’s communication channels, as specifically set forth in Exhibit 10.
- 10.4 Web Site Presence. Information about the Bikesharing System and this Marketing Partnership, including a link to DecoBike’s web site (referenced in Section 5.3), will be provided on the Corporate Partnership Program’s web page on the City’s internet and intranet web sites throughout the duration of the Agreement.
- 10.5 Member Benefits for City Employees. DecoBike shall, as a condition to its right to access City employees under this Agreement, offer City employees, retirees, and their families, a membership subscription package at a price that is discounted from the regular rates.
- 10.6 City’s Cooperative Support. The City shall work with and support DecoBike’s efforts to market and increase ridership of the Bikesharing System as set forth in Exhibit 10. All events must comply with any applicable City rules or regulations pertaining to use of the venue or as a special event.

Section 11. Intellectual Property

- 11.1 Licensing. The City and DecoBike shall each retain ownership of, and all right, title and interest in and to, their respective intellectual property and no license therein, whether expressed or implied, is granted by this Agreement. To the extent the parties wish to grant to the other rights or interests in intellectual property, separate licensing agreements on mutually acceptable terms shall be executed.
- 11.2 Use of City Name and Logo. DecoBike shall use the City's name, seal, logo, and trademarks (collectively, "City's Identifiers") only as set forth in this Agreement, for the purpose of carrying out the terms of this Agreement, and not for any other purpose. Any use other than that specifically provided for by this Agreement shall require the prior written consent and approval of City. DecoBike shall not make use of the City's name, seal, logo, trademarks, or any other identifiers in any manner that would bring City, or any of its respective agents, representatives, employees or contractors into public disrepute, contempt, scorn or ridicule or tend to shock, insult or offend the community, public morals or decency. DecoBike shall not use City's Identifiers to incur any obligation or indebtedness on behalf of City. The obligations of DecoBike under this paragraph will survive expiration or termination of this Agreement.
- 11.3 Use of DecoBike Name and Logo. City shall use DecoBike's name, seal, logo, and trademarks (collectively, "DecoBike Identifiers") only as set forth in this Agreement, for the purpose of carrying out this Agreement, and not for any other purpose. Any use other than that specifically provided for by this Agreement shall require the prior written consent and approval of DecoBike. City shall not make use of DecoBike's name, seal, logo, trademarks, or any other identifiers in any manner that would bring DecoBike, or any of its respective agents, representatives, employees or contractors into public disrepute, contempt, scorn or ridicule or tend to shock, insult or offend the community, public morals or decency. City shall not use DecoBike Identifiers to incur any obligation or indebtedness on behalf of DecoBike, or to hold itself out as being or representing DecoBike. The obligations of City under this paragraph will survive expiration or termination of this Agreement.

Section 12. Compliance with City Contracting Laws

- 12.1 Americans with Disabilities Act. DecoBike agrees to comply with Council Policy 100-04, which establishes that all City contractors, including but not limited to construction contractors, consultants, grantees, and providers of goods and services agree to comply with all applicable titles of the Americans with Disabilities Act. Council Policy 100-04 is by this reference incorporated into this Agreement.
- 12.2 Drug Free Workplace. DecoBike agrees to comply with Council Policy 100-17 that requires all City construction contractors, consultants, grantees and providers of services to provide a drug-free workplace for the performance of work done in connection with a

contract held by the City. Council Policy 100-17 is by this reference incorporated into this Agreement.

12.3 Equal Employment and Subcontracting Opportunities. City and DecoBike agree that this Agreement is a marketing partnership with mutual benefits and obligations running to each Party, and not a contract for the provision of labor, materials, goods, supplies, services, or consultant services to the City, or for a grant from the City, or for the construction of public works, as the term “contract” is used and defined in San Diego Municipal Code sections 22.2701-22.2708 (EEO Outreach Program), 22.3501-22.3517 (Nondiscrimination in Contracting Ordinance), and 22.4301-22.4308 (Equal Benefits Ordinance). Notwithstanding that understanding, DecoBike acknowledges the importance of the goals and objectives of the City’s program, and for the purpose of this Agreement, DecoBike agrees as follows:

- a. DecoBike has completed the City’s Work Force Report, which is attached as Exhibit 12.3.
- b. DecoBike shall not discriminate against any employee or applicant for employment on any basis prohibited by law. DecoBike shall provide equal opportunity in all employment practices.
- c. DecoBike shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers. DecoBike shall provide equal opportunity for subcontractors to participate in subcontracting opportunities. DecoBike understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, or other sanctions. Contracts between DecoBike and any subcontractors, vendors, and suppliers shall contain this language.

Section 13. Insurance

13.1 Insurance. DecoBike shall maintain, at its own expense, the following types of insurance coverage during the Term, including any renewal or extension, of the Agreement:

13.1.1 Commercial General Liability Insurance (“CGL”) written on an occurrence basis which shall cover liability arising from any and all personal injury or property damage in the amount of at least one million dollars (\$1,000,000) per occurrence and subject to an annual aggregate of two million dollars (\$2,000,000). There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

13.1.2 Commercial Automobile Liability Insurance for all of the DecoBike’s automobiles, including owned, hired or non-owned automobiles [“any auto”]. DecoBike shall keep in full force and effect, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form, or an equivalent form

providing coverage at least as broad, for bodily injury and property damage for a combined single limit of two million dollars (\$2,000,000) per occurrence.

- 13.1.3 **Worker's Compensation Coverage** for all of DecoBike's employees who are subject to the Agreement and to the extent required by applicable state or federal law, DecoBike shall keep in full force and effect, a Worker's Compensation policy. That policy shall provide a minimum of one million dollars (\$1,000,000) of employer's liability coverage, and DecoBike shall provide an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials (if applicable), officers, employees, agents or representatives.
- 13.2 **Insurer Requirements.** All insurance required by the express provision of the Agreement shall be carried only by insurers rated at least "A-, VI" or better by the current A.M. Best Key Rating Guide, that are licensed to do business in the State of California, and that have been approved by the City. The City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California, is shown on the current List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meets the rating requirements.
- 13.3 **Coverage.** This insurance shall cover all of DecoBike's employees engaged in the performance of the Agreement. DecoBike shall require that all its subcontractors engaged in the performance of the Agreement maintain levels and limits of insurance coverage that meet DecoBike's current standards for subcontractors and shall provide to City a certificate evidencing such coverage and listing City as an additional insured.
- 13.4 **Additional Insured.** DecoBike shall name the City as an additional insured on all general and automobile liability policies required herein. The policies shall be primary and non-contributory to any insurance, as it relates to the City's operations that may be carried by the City, as reflected in a certificate, which shall be submitted to the City.
- 13.5 **Waiver of Subrogation.** The Worker's Compensation policy or policies must be endorsed to provide that the insurer will waive all rights of subrogation against the City and its respective elected officials, officers, employees, agents and representatives for losses paid under the terms of this policy or these policies which arise from work performed by DecoBike.
- 13.6 **Certificates.** DecoBike shall, within ten (10) days of execution of the Agreement, furnish the City with certificates of insurance for coverage as required herein. Companies writing the insurance under this article shall be licensed to do business by the State of California. All certificates for each insurance policy required by this Article shall be signed by a person authorized by that insurer.
- 13.7 **Notice of Cancellation.** The certificates shall provide that thirty (30) days prior written notice of cancellation of the insurance to which the certificates relate shall be given to the City.

Section 14. Indemnification

- 14.1 With respect to any liability, including but not limited to claims asserted or costs, losses, attorney fees, or payments for injury to any person or property caused or claimed to be caused by the acts or omissions of DecoBike or any of its owners, officers, directors, agents, employees, or subcontractors, DecoBike agrees to defend, indemnify, protect, and hold harmless the City, its agents, officers, and employees from and against all liability. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of DecoBike to conform to any federal, state or local law statute, ordinance, rule, regulation or court decree. DecoBike's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the negligence or willful misconduct of the City, its agents, officers, or employees. It is the specific intention of the parties that the City, its agents, officers, and employees shall, in all instances except for claims arising from the negligence or willful misconduct of the City, its agents, officers, or employees, be indemnified by DecoBike from and against any and all claims relating to this Agreement.
- 14.2 In the event any notice or claim of lien is asserted against the property or interest of the City on account of or arising from any work done by or for DecoBike, or any person claiming by, through or under DecoBike, or for improvements or work, the cost of which is the responsibility of DecoBike, DecoBike agrees to have such notice or claim of lien cancelled and discharged within thirty (30) days after notice to DecoBike by City. In the event DecoBike fails to do so, City may terminate this Agreement for cause without liability to City.

Section 15. Default; Remedies

- 15.1 Event of Default. The following shall constitute an Event of Default under this Agreement regardless of whether any such event shall be voluntary or involuntary or shall result from the operation of applicable laws, rules or regulations or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:
- (1) DecoBike fails to cause to be carried and maintained the insurance required by this Agreement and fails to immediately remedy such failure within ten (10) days of receipt of written notice thereof from City;
 - (2) Either party fails to comply with any material term, condition, or obligation of this Agreement and such failure continues unremedied for a period of thirty (30) days after the receipt of written notice thereof from the nondefaulting party; or
 - (3) Either party commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall have an involuntary case or other proceeding instituted against it seeking similar relief;

(4) Either party commits an act, which brings its name into disrepute, or otherwise substantially diminishes the value of the marketing partnership association for the other party.

15.2 Declaration of Default. Upon the occurrence of an Event of Default, and at any time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and: (1) if the Event of Default is a filing under Section 15.1(3) hereof, may immediately terminate this Agreement without any liability whatsoever; or (2) proceed under the Alternative Dispute Resolution procedures set forth in Section 15.4 hereof.

15.3 Dispute Resolution. If a dispute arises out of, or relates to the Agreement, or the breach thereof, and if said dispute cannot be settled through negotiations, the Parties agree to first endeavor to settle the dispute in good faith, using mandatory non-binding mediation administered by a neutral professional mediator affiliated with and under the rules of the National Dispute Resolution Center ("NDRC") or JAMS, before having recourse in a court of law.

15.3.1 Any such mediation shall be held in San Diego, California. The Parties agree to select a mediator from NDRC's or JAM's panel of approved neutrals.

15.3.2 The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All other expenses of the mediation, including required traveling and expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise.

15.3.3 Any agreements resulting from mediation shall be documented, in writing. All mediation results and documentation, by themselves, shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless such admission is otherwise agreed upon, in writing, by both Parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

15.3.4. In the event that a dispute cannot be resolved in the manner described above, the Parties agree to waive any and all rights to jury trial.

Section 16. Termination for Reasons Other than Default

16.1 Termination for Improper Consideration. The City may, by written notice to DecoBike, immediately terminate the right of DecoBike to proceed under this Agreement if it is found that consideration, in any form, was offered or given by DecoBike, either directly or through an intermediary, to any City officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment for extension of the Agreement or the making of any determinations with respect to DecoBike's performance pursuant to the Agreement. In the event of such termination, the City shall be entitled to pursue the same remedies against DecoBike as it could pursue in the event of default by DecoBike.

DecoBike shall immediately report any attempt by a City officer or employee to solicit such improper consideration. The report shall be made to the Director of City's Personnel Department. Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

16.2 Termination of Advertising Program. The City may terminate the provisions of this Agreement authorizing advertising at Bikesharing Stations upon a determination by the City Council that such action is necessary to preserve the continued legal viability of the City's sign regulations. In that event, the City shall provide DecoBike one hundred twenty (120) days written notice of the termination of the bikesharing advertising. Upon notice of termination and before the termination date, the parties shall take the following steps:

16.2.1 DecoBike shall conform the signage at all Bikesharing Stations to the City's codified sign regulations and remove any signs that are not in compliance.

16.2.2 DecoBike's obligation to pay advertising and sales commissions to the City shall terminate on the date of the written notice.

16.2.3 DecoBike shall take all reasonable steps to preserve existing and enter into new sponsorships for the Bikesharing Program.

16.2.4 The City shall pay DecoBike on a monthly basis to ensure the continued management, operation, and maintenance of the System. The amount to be paid shall be negotiated by the Parties based upon the monthly cost to manage, operate, and maintain the System less all revenue generated by the System including user fees, membership subscriptions, and sponsorships, and taking into account the revenue share of sponsorships and sales otherwise due the City.

16.2.5 If the Parties are unable to reach agreement on the essential terms for the continued management, operation, and maintenance of the System without advertising revenue, the Parties shall use the dispute resolution procedures set forth in Section 15.4.

Section 17. Limitation on Liability

17.1 Neither Party shall be liable to the other Party for any act or omission to the extent not attributable to its personnel. Notwithstanding anything in the Agreement to the contrary, in no event shall the cumulative liability for direct damages of either Party to the other Party, whether in contract or in tort, exceed the amount of one hundred thousand dollars (\$100,000.00) per Year of the Agreement. Furthermore, in no event shall either Party be liable for any indirect, special, consequential, incidental or punitive damages or lost profits, however caused, which are incurred by the other Party, its employees, subcontractors, and/or agents, or any third party, arising out of or in connection with the Agreement or the performance or breach thereof, even if such Party has been advised of

the claim or potential claim or of the possibility of such damages. City shall have no liability whatsoever for interruptions or defects in website links from City websites to the DecoBike website, except if caused by City's willful misconduct and resulting in injury to the DecoBike website.

Section 18. Miscellaneous

- 18.1 Notices. In all cases where written notice is required under the Agreement, such notice shall be given at the respective addresses of the parties as set forth below, unless notification of a change of address is given in writing. Notice shall be sent by registered or certified mail, by a nationally recognized courier service, or by personal service, and shall be effective upon receipt. The addresses for notice and agents for service of process are:

City: Corporate Partnership Program
Attn: Natasha Collura, Director
The City of San Diego 1010 Second Avenue Suite 1060
San Diego, CA 92101
Phone: 619-533-3822

And to: Office of the City Attorney
Attn: Carrie Gleeson
The City of San Diego
1200 Third Avenue, Suite 1620
San Diego, CA 92101
Phone: 619-236-6220

DecoBike: Deco Bike, LLC
Attn: Ricardo Pierdant, President
41 NE 17 Terrace
Miami, FL 33132
Phone: 305-416-7445

- 18.2 Non-Assignment. Neither Party may assign its rights or delegate its duties under the Agreement to any other party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned. Subject to the provisions of this section, the Agreement shall inure to the benefit of and be binding upon the respective successors and assigns, if any, of the Parties hereto. However, any assignment in violation of this paragraph shall constitute a default and is grounds for immediate termination of the Agreement. In no event shall any putative assignment create a contractual relationship with the putative assignee.
- 18.3 Independent Contractors. DecoBike and any subcontractors employed by DecoBike are and shall be deemed to be independent contractors and not agents of the City. Any provisions of the Agreement that may appear to give the City any right to direct DecoBike concerning the details of operating the Bikesharing System, or to exercise any

control over such performance, shall mean only that DecoBike shall follow the direction of the City concerning the end results of the performance.

- 18.4 Compliance with Controlling Law. DecoBike shall comply with all laws, ordinances, regulations, and policies of the federal, state, and local governments applicable to the Agreement, including all applicable laws, regulations, and requirements relating to the marketing and sale of insurance. In addition, DecoBike shall comply immediately with all directives issued by the City or its authorized representatives under authority of any laws, statutes, ordinances, rules, or regulations. The laws of the State of California shall govern and control the terms and conditions of this Agreement.
- 18.5 Amendment. The Parties may amend this Agreement from time to time to address changes deemed necessary by the Parties to address operational needs. All amendments to this Agreement shall be in writing and signed by both Parties.
- 18.6 Jurisdiction and Venue. The jurisdiction and applicable laws for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in accordance with the laws of the State of California. The venue for any suit or proceeding concerning this Agreement shall be in the County of San Diego, State of California.
- 18.7 Integration. This Agreement and the exhibits and references incorporated into the Agreement fully express all understandings of the Parties concerning the matters covered in the Agreement. No change, alteration, or modification of the terms or conditions of the Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both Parties and an amendment to the Agreement agreed to by both Parties. All prior negotiations and agreements concerning the subject matter hereof are merged into the Agreement.
- 18.8 Counterparts. The Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.
- 18.9 No Waiver. No failure of either the City or DecoBike to insist upon the strict performance by the other of any covenant, term or condition of the Agreement, nor any failure to exercise any right or remedy upon a breach of any covenant, term, or condition of the Agreement, shall constitute a waiver of any such breach or of such covenant, term or condition. No waiver of any breach shall affect or alter the Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 18.10 Drafting Ambiguities. The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of the Agreement, and the decision of whether or not to seek advice of counsel with respect to the Agreement is a decision which is the sole responsibility of each Party. The

Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

18.11 Public Records Requests. Information contained in this Agreement and reports and other documents required by this Agreement are public records subject to disclosure unless a specific exemption in the California Public Records Act (CPRA) applies. The City may protect confidential and proprietary information provided by DecoBike only to the extent permitted by law. If DecoBike provides the City with information that is clearly marked as confidential or proprietary, and the City receives a CPRA requesting such information, then the City agrees to inform DecoBike of the request and of the City's decision to withhold or disclose the information. However, notwithstanding the City's agreement to notify DecoBike, the City shall not be liable to DecoBike for any damage or injury arising out of the City's failure to notify DecoBike or the City's disclosure of DecoBike's information, and such failure shall not be an Event of Default under Section 15 of this Agreement.

18.12 Signing Authority. The representative for each Party signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture, or entity and agrees to hold the City harmless if it is later determined that such authority does not exist.

IN WITNESS WHEREOF, the Agreement is executed by the City of San Diego, acting by and through its Mayor or designee, pursuant to City Council Resolution _____, and by Deco Bike, LLC.

THE CITY OF SAN DIEGO

By: _____
Scott Chadwick, Interim Chief Operating Officer

Date: _____

I hereby certify that I can legally bind Deco Bike, LLC and that I have read all of this Agreement.

DECO BIKE LLC

By: _____
Ricardo Pierdant, President

Date: _____

[Signatures continued on following page.]

I hereby approve the form and legality of the foregoing Agreement this _____ day of _____, 2013.

JAN I. GOLDSMITH, City Attorney

By: _____
Carrie Gleeson
Deputy City Attorney

DRAFT

Exhibit 4.2.2
Bicycle Type and Specification

DRAFT

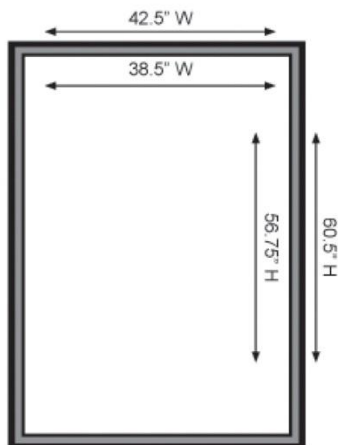
Exhibit 4.2.4
Site Plan
[Overhead Station Diagram]

DRAFT

Exhibit 4.4

Station Area Signage

Station Area Advertising Panels to contain general advertising content including images or descriptions of products and services consistent with the terms of the Agreement, or for messages promoting the Bikesharing System or traffic or bicycle safety, generally as shown below:



PRIMARY ADVERTISING PANEL SPECIFICATIONS:

- Number of Faces per unit: 2
- Overall Poster Size: 60.5" H x 42.5" W
- Printable Area: 58.75" H x 40.5" W
- Viewable Area: 56.75" H x 38.5" W
- Solar-powered Lighting System Capability

POSTER SIZE

Specs may vary slightly between panel housing manufacturers.

Exhibit 6.2

Implementation Schedule

DRAFT

Exhibit 6.7

Bicycle Logo Sponsorship

Sponsorship logos shall be limited to bicycle surfaces, including the handlebar placard, fenders and/or basket consistent with the diagram below. (Red Cross logo used for educational/illustrational purposes only). Logo sponsorships are limited to corporate/organizational logo, name and/or slogan (not general advertising graphics such as actual product images):



Exhibit 6.7 (cont'd)

Kiosk Logo Sponsorship

Sponsorship logo name and/or slogan shall be permitted upon: (A) the rear panel of the kiosk opposite the keypad/screen display, and (B) side panels, consistent with the diagram below. (Red Cross logo used for educational/illustrational purposes only). Logo sponsorships are limited to corporate/organizational logo, name and/or slogan (not general advertising graphics such as actual product images):



DecoBike shall be permitted to utilize all surfaces of the Kiosk for sponsor branding. A city map shall be displayed on the Kiosk or on the stand-alone advertising panel.

Exhibit 6.7 (cont'd)

On-Bicycle General Advertising Format

General advertising on program bicycles shall be limited to bicycle surfaces including handlebar placard, basket and fender consistent with the diagram below. (Tag Heur logo used for educational/illustrational purposes only). General advertising may contain any graphical representation supplied by advertiser including images or descriptions of products and services:



Exhibit 6.7 (cont'd)

Kiosk General Advertising Format

General advertising and Public Service Announcements on program Kiosks shall be permitted upon: (A) the rear panel of the Kiosk opposite the keypad/screen display to a maximum dimension of 81"x 23" or equivalent area, and (B) both side panels to a maximum of 14"x 48" each or equal area, consistent with the diagram below. General advertising may contain any graphical representation supplied by advertiser including images or descriptions of products and services:



DecoBike may use all surfaces of the Kiosk for General Advertising. A city map shall be displayed on the Kiosk or on the stand-alone advertising panel.

EXHIBIT 6.8

BIKESHARING STATION ADVERTISING

As part of City's Memorandum of Understanding (MOU) with the Metropolitan Transit Development Board (MTS), adopted July 25, 1988, and amended February 25, 1991, and June 21, 1999, authorizing MTS to install bus stop shelters and bus benches in public right-of-way, City requires that all advertising placed as bus stops comply with the criteria set forth below. It is the intent of the City as part of this Agreement to require that advertising at Bikesharing Stations comply with the same requirements for similar reasons, including:

That it continues to be the intent of the City to prohibit advertising on bus stop shelters and benches of alcoholic beverages, tobacco products, and firearms in recognition of the fact that many public transit patrons are minors, that possession of these products by minors is illegal and dangerous, and that advertising is a persuasive medium for encouraging the use of these products by minors; and

That Bikesharing Stations will also be located in the public right-of-way, will often be located near or adjacent to transit stops used by public transit patrons including minors, will be sponsored by the City and will include City identifiers, and will attract the attention of minors; and

This policy applies only to advertising space located in designated areas at Bikesharing Stations.

Bikesharing Advertising Policy:

1. In its agreement with its advertising contractors, DecoBike shall reserve the right to reject any advertisement, commercial or noncommercial, which does not meet the standards set forth in this policy.
2. All advertising posted at Bikesharing Stations must conform to the following criteria:
 - A. Defamatory Advertising. No advertising will be permitted that falsely disparages any person, product, or company, or that is likely to damage the reputation of any person, product, or company.
 - B. Advertising Condoning Criminal Conduct. No advertising will be permitted that is likely to incite or produce imminent unlawful activity.
 - C. Obscene Advertising. No advertising will be permitted that contains obscene matter or matter harmful to minors, as defined in California Penal Code Sections 311 and 313.
 - D. False Advertising. No advertisement will be permitted that contains false or grossly misleading information.

- E. Alcohol, Tobacco, and Firearms. No advertisement will be permitted that promotes the sale of alcoholic beverages, tobacco or tobacco products, or firearms.
 - F. Existing Laws. All advertisements must conform to applicable federal, state, and local laws.
3. City may make demand upon DecoBike for the removal of any advertisement, commercial or noncommercial, that does not conform to this policy. Such demand shall be in writing and shall state reasonable grounds for the demand. DecoBike shall consider and act upon the demand in accordance with this policy.

Exhibit 7.9

Projected Rates and Fee Structure

The projected rates and fee structure for the Bikesharing System shall be substantially in conformance with the rates and structure set forth below:

Standard Membership Subscription

- Unlimited number of uses per day
- Up to 30 minutes each trip (dock to dock) without additional charge
- After 30 minutes, Additional Usage Fee is charged
- Typically between \$120-\$155 annually pre-paid; or \$15-\$20 per month recurring billing with 3-month minimum commitment

Deluxe Membership Subscription

- Unlimited number of uses per day
- Up to 60 minutes each trip (dock to dock) without additional charge
- After 60 minutes, Additional Usage Fee is charged
- Typically between \$175-\$225 annually; or \$25-\$30 per month recurring billing with 3-month minimum commitment

Casual Use/Walk-Up Short-Term Standard Membership Fees (non-subscribers)

Provides the same type of access as a Standard Membership Subscription (30 minutes dock to dock without additional charge) but without any recurring billing or subscription obligations. Prices will typically be within the following ranges:

- 1 Day: \$12 to \$17
- 1 Week: \$25 to \$35
- 1 Month: \$40 to \$60
- After 30 minutes, Additional Usage Fee is charged

Short-Term Casual/Walk-Up Rentals

Provides user with continuing access to a program bike during the rental period without application of Additional Usage Fees or the need to dock the bike at intervals like a membership and without any recurring billing or subscription obligations. Prices will typically be within the following ranges:

- ½ Hour: \$4 to \$6
- 1 Hour: \$6 to \$9
- 2 Hours \$10-\$14
- 4 Hours \$16-\$18
- 8 Hours \$18-\$20
- 24 Hours \$24

Additional Usage Fee

- \$4-\$6 per additional 30-minutes of use or any part thereof.

Miscellaneous Provisions

- DecoBike shall be permitted to discount memberships and rentals at its sole discretion.
- To offset inflation and other similar costs, DecoBike may, in its sole discretion, increase the above-stated price ranges by not more than 5% per year without the City's approval.

DRAFT

Exhibit 10

DecoBike's Marketing Opportunities

City shall provide DecoBike with cooperative support for the promotion and marketing of the Bikesharing System, including but not limited to, the following promotional and marketing opportunities:

- Bikesharing System Kick-Off Event
- Bikesharing System Anniversary Celebration(s)
- Use of mobile Bikesharing Station at special events
- Explore the possibility of establishing a regular location for the mobile Bikesharing Station for demonstrations
- Provide time on City-TV for promotional clips and public service announcements on bicycle safety
- Distribute program and safety handouts provided by DecoBike at relevant festivals and programs conducted or participated in by the City
- Quarterly promotional emails to City employees
- Bicycle safety and bicycle awareness classes organized in conjunction with the City's Transportation and Engineering Operations Division and/or other stakeholders

**Office of
The City Attorney
City of San Diego**

MEMORANDUM

(619) 533-5800

DATE: June 11, 2013

TO: Natasha Collura, Director of Strategic Partnerships

FROM: City Attorney

SUBJECT: Bikesharing Advertising Signs

INTRODUCTION

You have asked whether the City can, as part of a proposed bikesharing program, permit advertising to be displayed at bikesharing stations. As explained below, the City has a long-standing exception to its off-site advertising ban of permitting commercial advertising displays on bus shelters and bus benches in the public right-of-way to fund transit stop improvements. This exception was acknowledged by the Supreme Court in the *Metromedia*¹ case, and similar exceptions to fund public improvements have been upheld more recently by the courts. Like the bus shelter exception, there appears to be sufficient basis here for the City Council to make findings supporting a limited exception to the City's existing sign restrictions for the express purpose of supporting a bikesharing program. Any such exception should carefully control the size, type of media and placement of advertising, and directly support the City's interest in increasing bicycle ridership and providing bikesharing as a public transportation amenity.

BACKGROUND

The City is contemplating entering into a corporate partnership agreement for the purpose of financing and implementing a bikesharing program in the City of San Diego (the Agreement). The program would include installation of bikesharing stations in the public right-of-way or on public or private property near the public right-of-way. Each station would have a number of bicycle docks, one payment kiosk, and a two-sided advertising sign. The kiosk and the advertising sign are both designed to carry advertising. Proceeds from the sale of the advertising

¹ *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981).

are intended to support the capital and operational costs of the program. The proposed agreement specifically limits the use of revenue generated from advertising sales to funding the bikesharing system, roadway improvements for bicycles, or other enhancements to serve the bicycle-riding public. If not sold for advertising, the advertising space is to be used to promote the bikesharing system or traffic or bicycle safety. Agreement, § 4.4.

The bikesharing program will further a number of the City's goals and policies reflected in the City's 2008 San Diego General Plan to make bicycling a more viable form of public transportation for trips of less than 5 miles, for connection to other forms of public transit, and for recreation, and to provide bicycle facilities and amenities to reduce the number of vehicle trips. Mobility Element, Policy ME-F.4. Participation in a bikesharing program will result in fewer vehicle miles travelled and reduce greenhouse gas emissions, thereby furthering the City's interests in reducing traffic and parking congestion, noise and air pollution. Mineta Transportation Institute, "Public Bikesharing in North America: Early Operator and User Understanding," June 2012 Mineta Report.²

Implementation of a bikesharing system requires a significant capital outlay for the bicycle docking structures, electronic payment kiosks, and bicycles, and additional funding for implementation, operations, and maintenance. The user fees alone do not cover the cost, and bikesharing companies typically rely on other sources of revenue including advertising, sponsorship, and government subsidies for capital and operational costs.³ In its Request for Sponsorships for a bikesharing program, the City asked for proposals for a bikesharing system that would operate without financial support from the City and provide revenue sharing with the City.

The current proposal includes advertising and sponsorships in addition to membership and user fees as a means to generate funds to support the bikesharing system. As provided in the proposed agreement between the City and its corporate partner, advertising would be displayed on the payment kiosk, on a two-sided advertising panel at the bikesharing station, and on the bicycles. Agreement, Exhibit 6.7. Sponsorship identification could also be included on the kiosk, the

² The goals set forth in the City's Request for Sponsorships (RFS) under the Corporate Partnership Program to identify a corporate bikesharing partner include:

- Provide an affordable transportation alternative to driving for San Diego residents, commuters, and visitors
- Facilitate an increase in transit use by providing a last-mile solution for commuters
- Reduce vehicle trips and traffic
- Make bicycling a viable option for people without bikes or no place to store bikes
- Encourage new bicycle commuters
- Promote commerce in the City by enhancing access to business, shopping, dining and entertainment venues
- Create an integrated system that can expand to the San Diego region

³ See Mineta Report at 26-34 regarding business models and sources of funding for public bikesharing systems. "Funding for public bikesharing is frequently obtained through a combination of sources, including advertising, user fees, grants, loans, sponsorships, health-care/tobacco settlement funds, and governmental funds for capital costs, operational costs, or both. . . . Operational costs are typically funded through a combination of user fees, advertising, and sponsorships." *Id.* at 29.

frame of the advertising panel, and on the bicycles. Sponsorship identification is limited to the name, logo and/or slogan of the sponsor. The dimensions of the kiosk and advertising panel, and the general placement of each are set forth in the proposed Agreement. The advertising panel would display poster-type advertising measuring approximately 60 inches high by 42 inches wide. The kiosk, measuring approximately 81 inches high, 23 inches wide, and 14 inches deep, houses the payment system and would display advertising on the back and sides of the kiosk.

ANALYSIS

The City's sign regulations are based on and designed to further the City's interests in preserving the beauty of San Diego and promoting traffic safety. The City's existing sign ordinance prohibits off-premises signs, except for public interest messages, on both public and private property, and restricts the posting of signs on public property and in the public rights-of-way except as specifically provided in the San Diego Municipal Code.

In the *Metromedia* case and in court decisions following *Metromedia*, the courts have emphasized that when sign regulations are based on interests of safety and aesthetics, any exceptions to those regulations must further an interest that is even stronger and more important than the City's interest in safety and aesthetics, or must not affect those interests.

A. Advertising on Bus Benches and Shelters.

One of the exceptions in the City's sign ordinance at the time of the *Metromedia* case was for permitted signs located at public bus stops including bus bench advertising. *See Metromedia*, 453 U.S. at 494-95 and n.3. Although not specifically addressed, this exception did not affect the United States Supreme Court's finding in *Metromedia* that the ordinance's restrictions on commercial speech were constitutional. 453 U.S. at 512. Under an agreement between the City and the San Diego Metropolitan Transit Development Board (now the Metropolitan Transit System) in 1988, the City agreed to allow advertising on bus-stop shelters located in commercial and industrial zones to fund the construction and maintenance of lighted shelters in all zones. *See San Diego Ordinance No. O-17121 N.S. (July 25, 1988) and the agreement attached thereto.*⁴ The objective of the program is to increase public transit ridership. *Id.*; MTDB Doc. No. OO-17121. The agreement contains regulations for the size and number of signs allowed on the shelters, and provides for shelters in residential areas with no advertising. *Id.* Revenue generated by the advertising is used for maintaining and building benches and shelters, for roadway and sidewalk improvements at transit stops, and for transit enhancements and service. *Id.*; MTDB Doc. No. B0047.2-88.

The bus-stop shelter advertising program furthers the important governmental interests of providing for the safety of its citizens, promoting public transportation and increasing the use of existing public transit. It also furthers the City's interest in facilitating communication in the

⁴ The exemption was adopted by uncodified ordinance and for that reason, is not expressly stated in the Municipal Code. The agreement was last amended in 2008, and will be up for renewal in July of this year.

public rights-of-way by more clearly identifying bus stops and providing transit information at those stops and by providing a safe place for patrons to wait. Finally, it is sensitive to the City's aesthetic concerns by limiting the number and locations of the shelters and not allowing advertising on shelters in residential areas.

B. Cases Since *Metromedia* Have Upheld Exceptions for Advertising in the Public Right-Of-Way for the Benefit of Public Transit Amenities

In 1999, this Office considered whether the use of advertising kiosks to fund the installation of automatic self-cleaning toilets could negatively impact the City's sign restrictions. City Att'y MOL No. 99-12 (Nov. 23, 1999).⁵ The toilet proposal included the installation of four to five three-sided advertising structures per toilet, each over 18 feet tall, in the public right-of-way. Unlike the limited advertising on bus shelters, the advertising structures would be installed in the public right of way but separately from the toilets. The Memorandum cited the *Metromedia* case and cautioned that such an exemption could diminish the credibility of the City's rationale for its sign restrictions.

If the City makes exceptions to the sign ordinance that are not consistent with preserving the beauty of the City, the most direct argument that could be made by a challenger to the ordinance is that the justification put forward by the City can no longer support the blanket restrictions on offsite advertising. In other words, the challenger would dispute that aesthetics or public safety remained genuine objectives of the ordinance, and claim that the ordinance no longer served a substantial and compelling governmental interest under the *Central Hudson* test.

Id. at 10 (citing *Central Hudson Gas & Elec. Corp. v. Public Service Comm'n*, 447 U.S. 557 (1980) requiring that a restriction on commercial speech directly advance a substantial governmental interest). Like the bikesharing proposal, the purpose of the advertising was to fund the public amenity that the City sought to provide. Unlike the bikesharing proposal, the amount of advertising proposed for that purpose (four to five large advertising structures with six poster cases each per toilet) and the physical presence those structures would have created in the public right-of-way was hugely disproportionate to the public benefit being provided. For that reason, the legal analysis of the toilet proposal concluded that installation of the proposed advertising structures would seriously infringe on the ability "to credibly establish the City's continuing interest in preserving the beauty of San Diego" if challenged. City Att'y MOL No. 99-12 at 14.

More recently, two cases decided in the federal Court of Appeals, *Metro Lights* and *Clear Channel Outdoor*, support the use of *limited and controlled* advertising to pay for improved

⁵ See 2002 City Att'y Report 265 (2002-19; Oct. 16, 2002), for additional background and legal analysis of the City's sign restrictions.

public transit amenities in the public rights-of-way. *Metro Lights, L.L.C. v. City of Los Angeles*, 551 F.3d 898, 914 (9th Cir. 2009) and *ClearChannel Outdoor, Inc. v. City of New York*, 594 F.3d 94 (2d Cir. 2010).⁶ In each of these cases, the city restricted offsite advertising while at the same time permitting advertising on public service structures in the right-of-way such as bus benches, bus shelters, automated self-cleaning public toilets, trash receptacles, public amenity kiosks, and news racks. In both cases, the court deferred to the legislative judgment made by the city in approving legislation that allowed some types of advertising but not others, and found that the exemptions did not so undermine the purpose of the ordinance that it would fail to achieve its end. *Metro Lights*, 551 F.3d at 914; *Clear Channel*, 594 F.3d at 113.

In *Metro Lights*, the city entered into a contract for the exclusive right to advertise on the street furniture in exchange for which the contractor pays for new street furniture and pays the city a percentage of the gross advertising receipts. 551 F.3d at 901. The court upheld the street furniture program against the challenge by outdoor media companies based on the following:

- First, the exception at issue (allowing advertising on street furniture in the public right of way but not any other advertising in the public right of way) did not weaken the direct link between the city's objectives and its general prohibition of offsite advertising because the city's sign ordinance reduces visual clutter by decreasing the overall number of signs permitted.
- Second, by using a single contractor to install a controlled series of advertisements on city property, the city avoids a "proliferation of offsite advertising by numerous and disparate private parties" creating more distracting ugliness. The court ruled that the city can prefer this program and disfavor offsite signs of public property for that reason.
- Third, "and most importantly," the court deferred to the policy-makers' judgment and decision to value controlled signage at transit stops over an uncontrolled proliferation of signage, as did the Supreme Court in *Metro Media*.

551 F.3d at 901-02. The court in *Clear Channel Outdoor* followed *Metro Lights* in upholding similar sign regulations that also allowed for a street furniture program with advertising. The court found that the distinctions were meaningful and would result in reducing clutter on city sidewalks. In both cases the court focused on the volume of signage permitted and whether the ordinance as a whole would further the city's objectives.

Like bus shelters, the City Council could make a legislative finding that the bikesharing program promotes substantial governmental interests while furthering the City's aesthetic concerns. Like the bus shelter program, the bikesharing program includes, as an objective, promoting the use of public transportation by providing a "last-mile solution" for transit users to go from the transit stop to their destination. It furthers the City's stated interest in promoting bicycle travel as a means to reducing the number of vehicle trips, furthers the City's stated interest in reducing traffic and parking congestion, noise and air pollution, all of which further the City's interest in

⁶ Both cases are discussed in more detail in City Att'y MOL No. 2011-4 (May 19, 2011).

aesthetics. Equally important, the advertising would be limited and controlled through the City's proposed Agreement with its bikesharing partner to one two-sided panel located at each bikesharing station and to available space on the payment kiosk. The locations of bikesharing stations are subject to the City's approval and, due to the nature of bikesharing, will be focused on urban areas and corridors to maximize ridership.

Accordingly, it appears that the City Council could make findings and adopt legislation to support limited and controlled advertising at bikesharing stations for the express purpose of providing this transit amenity to the public while furthering the goals of the sign ordinance. Doing so is not without risk; as this Office has cautioned on many occasions, any exemption to the City's sign restrictions carries the risk of a legal challenge. In this instance, however, that risk could be mitigated by the substantial government interests that are furthered by the program, including aesthetics.

In contrast, cases that have struck down ordinances that restrict advertising have done so because the exemptions overtook the purpose for the ordinance. For example, in *Rubin v. Coors Brewing Co.*, 514 U.S. 476, 489 (1995), the court struck down a federal law prohibiting labels on beer products from showing alcohol content but permitting beer advertisements containing such information and permitting such information on wine and spirits. *See also, Greater New Orleans Broadcasting Ass'n. Inc. v. United States*, 527 U.S. 173, 190 (1999). ("The operation of [the regulation] . . . is so pierced by exemptions and inconsistencies that the Government cannot hope to exonerate it"); and *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 418-19 (1993) (noting that the regulation would have "minimal impact" because of the exception).

There is, therefore, a balance to be maintained and a risk that creation of a new exemption may "diminish the credibility of the government's rationale for restricting speech in the first place." *City of Ladue v. Gilleo*, 512 U.S. 43, 52 (1994). Here, where the City's use of limited and controlled advertising will directly further its interests in promoting public transit and preserving and improving the City's aesthetics, the City's rationale and its credibility for restricting other offsite advertising would not likely remain coherent.

C. Policy for Advertising

As part of its agreement with the Metropolitan Transit System, the City included an advertising policy that applies to advertising on bus stop shelters and benches within the City. *See* copy of MTS Policy No. 21, attached. Under the policy, several types of advertising are not permitted including defamatory, obscene, false, or advertising that is likely to incite unlawful activity. In addition, no advertising is permitted that "promotes the sale of alcoholic beverages, tobacco or tobacco products, or firearms. The policy does not restrict political or religious messages.

The policy states that it is the intent of the City Council to preclude alcohol and tobacco advertising because "many public transit patrons are minors, . . . possession of these products by minors is illegal and dangerous, and . . . advertising is a persuasive medium for encouraging the

use of these products by minors.” This statement sets forth the City’s interest in not encouraging minors to purchase or use these products and the restriction is based on furthering that interest. 1999 City Att’y Op. No. 73 (99-3; Nov. 3, 1999) at 84, citing *Young v. American Mini Theatres*, 427 U.S. 50, 71 (1973). The City’s Municipal Code also contains restrictions on tobacco and alcohol advertising. SDMC §§ 58.0301-58.0312 and 58.0501-58.0504.

Since, like the bus stop shelters, the proposed Agreement contemplates advertising in the public right-of-way, we recommend that the City include a similar policy as part of the Agreement to govern advertising at bikesharing stations.

CONCLUSION

The proposed bikesharing program appears to present sufficient factual bases for the City Council to make findings supporting a limited exception to the City’s existing sign restrictions for the express purpose of supporting a bikesharing program that will further the City’s transit and aesthetic goals. In adopting such a program, the City Council should make legislative findings to support its decision and adopt a policy to govern the advertising to be placed at the bikesharing stations.

JAN I. GOLDSMITH, CITY ATTORNEY

By /s/
Carrie L. Gleeson
Deputy City Attorney

CLG:jdf
Doc. No.: 575659_3

ATTACHMENT B

(to be printed on City letterhead)

Date XX, 2013

Mr. John Doe/Community Organization,
<Street address>
<City, State Zip>

Dear Mr. Doe/Community Organization:

The City of San Diego is excited to announce the launch of a Bike Share Program in early 2014, tailored to meet San Diego's unique alternative transportation needs.

The Program is quite extensive, and there are many factors to consider in the planning process, including proximity to other forms of transit, high-density areas, community layout, etc. We are currently in the process of working with the Mayor, City Council and the respective committees regarding the contract specifics in order to begin Program development and community outreach.

Some Bike Share Program highlights include:

- Planned installation of 180 to 220 stations Citywide
- Revenue share that will assist in bike infrastructure improvements
- Environmentally friendly, encourages community engagement
- Promotes the use of open space, exercise in urban landscapes, local businesses

We have begun working with several community representatives, and have secured endorsements for the program from the following:

Mayor Bob Filner
Council President Todd Gloria
Jeff Graham - President, Civic SD
Andy Hanshaw - Executive Director, San Diego County Bicycle Coalition
Chris Kluth - Active Transportation Program Manager, SANDAG
Angela Landsberg – Executive Director, North Park Main Street Association
Joe LaCava – Executive Director, Community Planning Council

(Organization names are for reference only)

Since several communities in San Diego could directly benefit from and be impacted by this Program, we would like to solicit your input regarding Program options and items such as station location suggestions. In addition, we would like to discuss the direction of the Program, and the many ways the City can work together with your organization in addressing economic, neighborhood, business and social benefits of the initiative.

Page 2
Recipient
Date

Based on the Bike Share Program timeline, we would like to request time on your agenda in the next three months during your regularly scheduled monthly meetings. I and a representative from our bikesharing partner would like to provide a presentation to your group with time for questions/answers.

Please confirm if we can be placed on your agenda in the next three months to discuss this exciting program with you.

Thank you in advance for your time,

Ed Clancy
Program Manager, Bicycle Initiatives
City of San Diego
1010 Second Avenue, 8th floor
San Diego, CA 92101
Ph. 619-846-4593
Email: eclancy@sandiego.gov

ATTACHMENT C

**CORPORATE PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF SAN DIEGO
AND DECO BIKE, LLC**

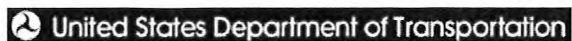
BIKESHARING PROGRAM TIMELINE

TARGET DATE	EVENT
June 19	Council Committee Meeting (LU&H)
June 24/25	Council Meeting for consideration and approval of Agreement and first reading of Ordinance
July 9	Second reading of Ordinance; Ord is effective 30 days from Mayor's signature
Aug 8	Projected Effective Date: Agreement signed and approved
Oct 7	Stakeholder and Community Outreach, map and site visits completed
Nov 6	Implementation Plan submitted to City and Notification to Community
Nov 20	City Plan Approval
Jan- March	Notice of Phase I Operational Rollout
Early 2014	Phase I Operational Rollout

ATTACHMENT F

Bikesharing REFERENCES AND ARTICLES:

- 1) LINK ONLY: MINETA TRANSPORTATION INSTITUTE REPORT "Public Bikesharing in North America: Early Operator and User Understanding" June 2012 at <http://transweb.sjsu.edu/PDFs/research/1029-public-bikesharing-understanding-early-operators-users.pdf>
- 2) United States Department of Transportation "Bike Sharing Popularity Grows as System Matures" (brief summary of Mineta Report). *Hard copy attached.*
- 3) Portland Transportation Article "What have we learned from other cities?" *Hard copy attached.*
- 4) LINK ONLY: New York FAQ <http://a841-tfpweb.nyc.gov/bikeshare/faq/#what-is-bike-share>
- 5) LINK ONLY: Washington DC Capital Bikeshare 2013 Customer Survey Highlights <http://mobilitylab.org/wp-content/uploads/2013/05/Capital-Bikeshare-2013-Survey-Presentation.pdf>



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Bike Sharing Popularity Grows as System Matures

UTC(s): San Jose State University**Publication Date:** October, 2012**PDF Version:** [spotlight_1210.pdf](#)

Cycling is rapidly rising as a popular transportation mode in North America, especially in urban areas where people are using bicycles to bridge the home-to-transit and transit-to-work gaps—the "first" and "last" miles. The Mineta Transportation Institute (MTI), the lead UTC for the Mineta National Transit Research Center (MNTRC), anticipated this trend some time ago and funded several research reports on cycling.

One particularly popular report addresses the rapidly growing acceptance of shared-use bicycles by investigating the various related programs in North America, including strategies, methods, challenges, and solutions. *Public Bikes in North America: Early Operator and User Understanding* (June 2012) aggregates valuable insights for communities considering ways to leverage this mode as it becomes economically and socially feasible.

Previous incarnations of this service were unsuccessful. When bike sharing was first initiated, some communities distributed public bikes for use via the honor system—riders were expected to pick up the bikes where they found them on the street, and then to leave them for others to use. There were no fees and no tracking methods. With no accountability in place, these bikes simply disappeared.

MTI Funded Cycling Reports

Downloaded more than 100,000 times from the MTI website, some recent reports include: *Measuring Walking and Cycling Using the PABS (Pedestrian and Bicycling Survey) Approach: A Low-Cost Survey Method for Local Communities* (December 2010), *Bicycling Access and Egress to Transit: Informing the Possibilities* (April 2011), *Promoting Bicycle Commuter Safety* (February 2012), and *Low-Stress Bicycling and Network Connectivity* (May 2012).

Gradually, as information technology (IT) improved, the shared-use system began to implement GPS locaters, credit card swiping, or online reservation systems. Some organizations sprang up to offer memberships, while other systems offered the bikes on an *ad hoc* basis.

These IT-based systems added an accountability factor that made the service less vulnerable to theft, loss, or destruction. In turn, bike-sharing enterprises came on board, installing pick-up stations in urban areas and launching a rapidly expanding option for first- and last-mile support for public transportation.

The report found that, as of January 2012, 15 IT-based, public bike-sharing systems were operating in the United States, with a total of 172,070 users and 5,238 bicycles. Four IT-based programs in Canada had a total of 44,352 users and 6,235 bicycles.

MTI principal investigator Susan Shaheen, Ph.D., and her team interviewed public officials, industry experts, and government agencies in both countries. Responses from several bike-sharing insurance experts also were included in the report.

"Notable developments during this period include the emergence of a close partnership among vendor and operator and technological advances," said Shaheen.

"These include mobile bike-docking stations that can be moved to different locations and real-time bike/station tracking to facilitate system rebalancing and provide user information."

The team also completed a user survey of 10,661 people to obtain information on four early IT-based systems – BIXI in Montreal; BIXI in Toronto; Capital Bikeshare in Washington, D.C.; and Nice Ride Minnesota in the Twin Cities (Minneapolis and St. Paul). The survey found that, rather than recreational use, commuting to work or school is the most common trip purpose for bike sharing.

Survey results showed that nobody increased their driving as a result of bike sharing in these cities, but an average of 40 percent decreased it. Increases and decreases in transit use varied according to a variety of specific factors in each city.

Convenience, improved access, health benefits, increased mobility, positive environmental impacts, low cost, and space efficiency were cited as the greatest bike-sharing benefits.

"Experts reported that daily system rebalancing is one of the leading challenges," said Shaheen. "They noted that some of the greatest inconveniences occur when bicycles are unavailable for check-out or when docking stations are full at check-in. It also will be beneficial to increase public-transit linkages, as well as to improve bicycling infrastructure and safety."

The report notes that public bike-sharing insurance is also an important issue, and policies vary considerably across the industry. In general, insurance premiums are influenced by geographic location, limits and deductibles, and system usage.

"In general, these results indicate that in all cities evaluated, public bike sharing reduces driving and auto emissions," Shaheen stated. "In larger cities, bike sharing appears to draw from public transit use, opening up capacity and perhaps serving as a faster connection to intra-urban locations than bus and rail systems had previously provided."

At the same time, she said, evidence shows that public bike sharing is improving urban travel connectivity, reducing driving and thus lowering vehicle emissions.

About This Project

The research for *Public Bikes in North America: Early Operator and User Understanding* was led by principal investigator Susan Shaheen, Ph.D. The research team included Elliott W. Martin, Ph.D., Adam P. Cohen, M.S., and Rachel S. Finson, M.S. All are from the University of California, Berkeley. Drs. Shaheen and Martin are certified as MTI Research Associates who come from a variety of national and international universities, and who receive grants from MTI for approved research projects. The full report is available at <http://transweb.sjsu.edu/project/1029.html>. Donna R. Maurillo, M.S.T.M., who provided this story, is Director of Communications at the Mineta Transportation Institute, San Jose (Calif.) State University. The executive director of the Mineta National Transit Center is Rod Diridon (rod.diridon@sjsu.edu).

Learn more about other US bike share systems

SEE BIKE SHARE IN ACTION

Capital Bike Share, DC metro

Nice Ride, Minneapolis, MN

WHAT HAVE WE LEARNED FROM OTHER CITIES?

People bike more after joining bike share, even if they own a bike.

Bike sharing makes getting around more convenient for everyone. Two thirds of Minneapolis bike share members reported biking more after joining even though 77% owned a personal bike.

Big systems work, small systems don't.

There are hundreds of places in Portland that people want to go to. The more stations you have, the more likely it is that a bike sharing station is near your destination. Too few stations and the system isn't a practical choice. DC's first system had only 10 stations and very little use. DC metro's new system has 140 stations and had 1 million trips in its first year.

Bike sharing works best in dense places.

Bike share is designed for short trips under three miles and 30 minutes. Cities get the most bang for the buck by locating stations at popular origins and destinations, such as workplaces, schools, and shopping districts. As the system grows, additional areas can be added.

Bike share stations need to be close together.

Whether you're parking your car or bike or getting off transit, you want to be close to your final destination. If your bike share station is full, nearby stations provide a convenient back-up option to return a bike.

Theft and vandalism aren't major concerns.

Before bike sharing came to the North America, a lot of people worried that the bikes would end up vandalized, stolen or at the bottom of the river. That hasn't happened.

Today's bike sharing systems are built to withstand urban conditions – including people with ill intentions. Users must use a credit or debit cards to check out a bike, which creates user accountability. Minneapolis had one bike stolen in 2011. DC/Arlington's Capital Bike Share theft rate is less than 1%.

US Bike Share Cities

City	Bikes	Roll out	Manufacturer	Operator
Alexandria	80	2012	Public Bike System	Alta Bicycle Share
Anaheim	100	2012	BikeNation	BikeNation
Arlington	250	2011	Public Bike System	Alta Bicycle Share

Aspen	120	spring 2013	Public Bike System	We-Cycle
Austin	400	2013		Bike Share of Austin
Baltimore	300	2013		
Boston	610	2011	Public Bike System	Alta Bicycle Share
Boulder	200	2011	Bcycle	Boulder Bike Sharing
Brookline, MA	30	2012	Public Bike System	Alta Bicycle Sharing
Broward County, FL	275	2011	Bcycle	Bcycle
Cambridge, MA	110	2012	Public Bike System	Alta Bicycle Share
Chattanooga	300	2012	Public Bike System	Alta Bicycle Share
Charlotte	200	2012	Bcycle	Central City Partners
Chicago (closed)	100	2010	Bcycle	Bike and Roll
Chicago (future)	3000	spring 2013	Public Bike System	Alta Bike Share
Cleveland	unknown	unknown		
College Park, MD	80	2013	Public Bike System	Alta Bicycle Share
Columbus, OH	300	2013	Public Bike System	Alta Bicycle Share
Denver	500	2010	Bcycle	Denver Bike Sharing
Des Moines	18	2010	Bcycle	Des Moines Bicycle Collective
Ft. Worth	300	Earth Day, 2013	Bcycle	Fort Worth Bike Sharing
Fullerton, CA	150	unknown	Bike Nation	Bike Nation
Greenville, SC	28	2013	Bcycle	
Houston	200	2012	Bcycle	
Kailua (Oahu, Hawaii)	12	2011	Bcycle	Hawaii Bcycle
Kansas City	200	2012	Bcycle	BikeShareKC
Las Vegas	100	2013	Viacycle	Downtown Project
Louisville	10	2011	Bcycle	
Long Beach, CA	160	2013	Bike Nation	Bike Nation
Long Beach, NY	400	2012	DecoBikes & Sandvault	DecoBikes
Los Angeles	4000	spring 2013	Bike Nation	Bike Nation
Madison	350	2011	Bcycle	Bcycle
Miami	500	fall 2013	DecoBikes	DecoBikes
Miami Beach	900	2011	DecoBikes & Sandvault	DecoBikes
Milwaukee, WI	250	2013		Midwest Bike Share
Minneapolis	1200	2010	Public Bike System	Nice Ride Minnesota
Nashville	190	2012	Bcycle	Nashville Downtown Partnership

New York City	10,000	spring 2013	Public Bike System	Alta Bike Share
Oklahoma City	95	2012	Sandvault	Downtown OKC
Omaha	50	2011	Bcycle	
Philadelphia	650	2014		
Phoenix	unknown	2014		
Pittsburgh		2014		Pittsburgh Bike Share Program
Portland	750	spring 2014	Public Bike System	Alta Bicycle Share
Rockville, MD	200	2012 (not open)	Public Bike System	Alta Bicycle Share
San Antonio	280	2011	Bcycle	San Antonio Bike Share
San Diego	1800	fall 2013	Deco Bikes	Deco Bikes
San Francisco	500	2013	Public Bike System	Alta Bicycle Share
Sacramento	12	2011 pilot (closed)	Midtown Bike Share	Sac. Midtown Bus Association...
Santa Clara County (San Jose, Mountain View, Palo Alto and Redwood City), CA	400	2013	Public Bike System	Alta Bicycle Share
Santa Monica	250	2016	Not selected	
Somerville, MA	120	2012	Public Bike System	Alta Bicycle Share
Tampa Bay, FL	300	fall 2013	Social Bicycles	Cyclehop
Tulsa	50	2007	Sandvault	St Francis Health Systems
Washington, DC	1100	2008/2010	Public Bike System	Alta Bicycle Share

PORTLAND BIKE SHARE



For more information about Portland Bike Share
email bikeshare@portlandoregon.gov or call 503-823-7191