



REPORT FOR ACTION

Improving Toronto's Bike Share Program

Date: May 5, 2021

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

In 2020, Bike Share Toronto was focussed on delivering its biggest one (1) year system expansion since the bike share program began. The network of stations grew from 465 stations to 625 stations, including the addition of 1,850 bikes to the system, of which, 300 were pedal assist e-bikes to the system.

This report provides an update to Toronto Parking Authority (TPA) Board of Directors on the Bike Share program, including a review of 2020 accomplishments, the status of improvements to the Bike Share program that City Council requested in October of 2020, investments in the Bike Share team, development of a Three (3) Year Growth Plan, funding opportunities for the next expansion of Bike Share, a planned review of Bike Share's rates and rate structure, and a feasibility assessment of integrating PRESTO technology into Bike Share Operations. In addition, this report outlines a proposal to implement a new one (1) year pilot program that will introduce a 45-minute Annual Membership.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. Toronto Parking Authority Board of Directors direct the President, Toronto Parking Authority to carry out a review of the rates and rate structure of the Bike Share Toronto program, including the feasibility of including a program for low-income residents, and to report back on the results in the fourth quarter of 2021.
2. Toronto Parking Authority Board of Directors direct the President, Toronto Parking Authority to implement a pilot for a 45-minute annual membership for a one (1) year period commencing on July 1, 2021 and to report back on the results of the pilot and

feasibility of including this alternate rate as a permanent offering in the Bike Share Toronto rate structure.

3. Toronto Parking Authority Board of Directors refer this report to Infrastructure and Environment Committee.

FINANCIAL IMPACT

There are no immediate financial impacts associated with the adoption of the recommendations in this report.

The financial impact of the Bike Share rate review, including the potential development of a program for low-income residents will be identified as part of a future update to TPA Board of Directors in the fourth quarter of 2021. Implementation of a 45-minute annual membership as part of a pilot project is not expected to result in any financial impacts. The results of the pilot project will be used to inform future decisions about rates and rate structure.

DECISION HISTORY

At its meeting of September 30, October 1 and 2, 2020, City Council requested the Toronto Parking Authority Board of Directors to direct the Acting President, Toronto Parking Authority to report back to the Infrastructure and Environment Committee by the end of fourth quarter 2020:

- on the feasibility of increasing the "overcharge threshold" for Bike Share Toronto from 30 minutes to 45 minutes or more to support longer trips across the growing network, notably in the areas where distances between stations is longer;
- on a strategy to explore a low-cost, barrier-free option for low income users, reviewing discounted models such as Mo Go Detroit through its \$5 per year program and Hamilton Bike Share with a \$1 per month program with the goal of establishing more equitable access to Toronto's Bike Share system such as through the #Bikes4All program; and
- to consider as a strategic plan to align current and future bike share stations along newly installed ActiveTO bike lanes.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IE15.9>

At its meeting on December 17 and 18, 2019, City Council adopted the 2020 Operating Budget for Toronto Parking Authority, including a report entitled "Feasibility and Financial Impact of Extending Bike Share Toronto Travel Times and Ridership Impact from the Implementation of the Richmond-Adelaide and Bloor Street West Bike Lanes."

<https://www.toronto.ca/legdocs/mmis/2019/pa/bgrd/backgroundfile-137270.pdf>

COMMENTS

In 2020, Bike Share Toronto was focussed on delivering its biggest one-year system expansion since the bike share program began. The network of stations grew from 465 stations to 625 stations, including the addition of 1,850 bikes to the system, of which, 300 were pedal assist e-bikes to the system.

As part of Bike Share Toronto's 2020 expansion, TPA launched two pilot programs consisting of eight (8) stations outside the central bike share system - one in Ward 6 (York-Centre) and one in both Ward 24 (Scarborough-Guildwood) and Ward 25 (Scarborough-Rouge Park). TPA's goal is to encourage suburban usage of the service and to explore further expansion into areas outside the city's core.

Through the City's Covid-19 pandemic response, Transportation Services implemented the ActiveTO program in the summer of 2020, for which, TPA installed an additional seventeen bike share stations along ActiveTO routes. These locations were selected in coordination with Transportation Services and were successful in increasing Bike Share ridership by 85 percent compared to 2019.

TPA also signed a three (3)-year agreement with Bell Media (Astral) in 2020 for rights to advertising at Bike Share stations. This mutually beneficial agreement, will provide Bike Share with an additional funding source that will allow TPA to further invest in Bike Share.

Strengthening, expanding and creating a better customer experience for Bike Share is a top priority for TPA. TPA aspires to make Bike Share Toronto, the best bike sharing system in the world. In 2021, TPA has established a number of priorities for Bike Share that are summarized below and which will position the program for continued success and lay the groundwork for further expansion.

Strengthening the Bike Share Team

TPA is Investing in its people resources to better support the Bike Share program. Recently, a new Director, Bike Share Toronto, was appointed to lead the overall strategy and program development of Bike Share. TPA is also recruiting two (2) Senior Planner positions, and two (2) seasonal positions. The senior planners will work closely with Bike Share Toronto's operating partners Shift Transit Inc. (SHIFT) and PBSC Urban Solutions Inc. (PBSC) to drive operating productivity and elevate customer satisfaction. Seasonal staff will support the Bike Share team in the field by verifying the condition of existing equipment and new station locations.

In addition to the staffing changes to Bike Share, TPA will conduct a full staffing resource review as part of TPA's 2022 business planning process and is committed to making the investments in the team needed to support the continued growth of the system and improvement in the program.

Developing a New Bike Share Growth Plan

In 2020, Bike Share Toronto completed the implementation of its initial five (5) year plan. The five (5) year plan was the product of a Feasibility Study undertaken in 2015, which established the parameters of the system expansion needed to drive growth in casual and recreational users of the program and make Bike Share Toronto a viable alternative to traditional modes of travel. At the time of its completion in 2016, the Feasibility Study concluded that a system in the range of 6,000 bicycles and 600 stations would be optimal to handle the demand within the city of Toronto.

Starting in 2021, TPA will develop a new three (3) year Bike Share Growth Plan that will define the next stage of system expansion. TPA will focus its expansion efforts on further densifying the existing system, expanding the reach of the network and electrifying more bike share stations, which will enable longer-distance use of the Bike Share network.

A Request for Proposals (RFP) for the consultant services needed to support TPA's preparation of the three (3) year Bike Share Plan is currently being prepared and it is anticipated that the RFP will be released in the second quarter of 2021, with completion of the Plan targeted for fourth quarter 2021 / first quarter 2022. Consultation with internal city stakeholders, the cycling community and the general public will be included in the scope of the Consultant assignment.

Funding the Next Expansion of Bike Share Toronto

Funding for the next expansion of Bike Share Toronto will be provided from a number of sources, including TPA's capital budget and plan, grant programs provided by the provincial and federal levels of government, advertising revenue through TPA's contract with Bell Media (Astral) and B2B partnerships.

The federal Active Transportation Fund, a recently announced program that will make \$400 million available through the development of a National Active Transportation Strategy, represents an opportunity for TPA to work with its partners at Transportation Services to prepare a coordinated submission for funding that has transformative potential for cycling infrastructure in the City of Toronto.

Lastly, TPA will be initiating a market survey to determine the potential value of a corporate sponsorship for the Bike Share program. While the timing of a corporate sponsorship remains dependant on market conditions, establishing a system-wide corporate sponsorship remains a key priority for TPA.

Innovating with our Business Partners

TPA is working with PBSC on strengthening and further enhancing the customer experience of its PBSC/CycleFinder app. New upcoming changes will deliver an easier experience as it relates to bike station location finder, trip planning and bike unlocking capabilities.

TPA is also working with PBSC on next generation bike stations and bikes and seeking to innovate with its partner on technologies that will allow for greater flexibility and mobility in bike station locations. New technologies could enable a system that can more easily adapt to changing neighbourhoods and infrastructure and provide greater resiliency in the infrastructure investments being made.

In addition, TPA is working with its operator SHIFT in improving its' bike rebalancing operation, by reducing the number of empty/full stations. Recently, SHIFT adopted the use of an artificial intelligence machine learning software to provide operational teams with better system planning capabilities. TPA will continue to work with SHIFT to ensure that the rebalancing operation is carried out as effectively and efficiently as possible.

Improving the Customer Experience

Bike Share's current station maps need updating and replacing. Station maps provide customers with valuable wayfinding information about the nearest stations and trip planning, in general.

TPA is currently working in partnership with Transportation Services on the procurement for TO360's Wayfinding Program to update Bike Share systems maps which will ensure residents and visitors of Toronto experience a consistent look and feel to city wayfinding. Working together with Transportation Services will allow TPA to leverage a larger body of work to obtain economies of scale and early delivery of new system maps.

The work for the new Bike Share system maps will begin in the third quarter of 2021.

Modernizing Bike Share's Rate Structure:

The current Bike Share Toronto pricing structure is comprised of an annual membership and a variety of casual passes. Each membership/pass includes a fixed a fee for the first 30 minutes and an overage fee of \$4 is charged for each additional 30 minutes, up to a maximum of \$100 per day. The current rate structure has been in place since 2017 and is summarized in Table 1.

Table 1: Bike Share Toronto Pricing Structure

Membership Level	Structure	Price
Annual Membership	Unlimited 30-minute rides	\$99.00
Single Trip	30-minute ride time	\$ 3.25
24-hour pass	Unlimited 30-minute rides in a 24-hour period	\$ 7.00
72-hour pass	Unlimited 30-minute rides in a 72-hour period	\$15.00

Bike Share's pricing structure is similar to how other North American and European cities initially structured their rates. However, many cities with large bike share systems have since updated their pricing structure to reflect changing customer needs and ridership patterns. A summary of the rate structures of other North American cities with large bike share networks is included in Table 2.

Table 2: Comparable North American Bike Share Program Rates

City	Terms	Price
Chicago	Unlimited 45 minute rides	\$108
New York City	Unlimited 45 minute rides	\$179
Washington D.C	Unlimited 30 minute rides	\$85
Boston	Unlimited 45 minute rides	\$109
Montreal	Unlimited 45 minute rides	\$99
Vancouver	Unlimited 30 minute rides	\$129

In 2020, TPA conducted a series of membership surveys of current and expired members to seek customer feedback on its rate structure. The study found that the price of additional minutes increased in concern by members over previous years, and 44 percent of those surveyed (555 individual surveys completed) were unsatisfied with the price of additional minutes. Additionally, TPA found that when asked how much a member would be willing to pay for an Annual Membership that included unlimited 60-minute station to station ride time, the average answer (955 individual surveys completed) was \$146.

In 2020, Bike Share Toronto had 18,780 annual members. An annual member will on average, spend \$14 per year extra on overage fees, 33 percent of which is incurred for trips between 31 minutes to 45 minutes. Annual Membership grew 18 percent in 2020, and is expected to grow further in 2021, with a year to date growth of 25 percent.

At the request of City Council, TPA investigated the feasibility of increasing the "overage threshold" for Bike Share Toronto from 30 minutes to 45 minutes, and found that based on both financial impact and ridership data, increasing ride times from 30 minutes to 45 minutes for all membership and casual rides is not the recommended at this time.

In 2020, 97 percent of all annual member trips were below 30 minutes, with 69 percent of annual member trips being between 4 to 16 minutes in length. The financial impact of increasing ride times from 30 minutes to 45 minutes would result in annual loss revenue of \$616,000 or 11 percent of total revenue.

North American cities such as Chicago, New York and Vancouver have increased ride times in conjunction with a price increase and/or offering different membership levels. As an example, Vancouver offers a 30-minute annual membership at \$129 and a 60-minute annual membership rate of \$159.

TPA recognizes that annual members may want more choices in choosing the annual membership program that best suits their needs. As a result of an expanding annual membership base, system network and customer feedback, Bike Share Toronto is proposing to pilot a new annual membership of unlimited 45-minute rides in June 2021 for a period of one (1) year. The cost of the proposed annual membership is proposed to be \$115, which is comparable to the average overcharge fees paid by members for trips between 31 and 45 minutes. Existing members will have an opportunity to switch to the 45 minutes membership at a promotional rate. Should TPA Board of Directors approve the proposed pilot program, TPA will monitor sales of the new membership, trip origin/designations and ride times and report back on the results.

Given the changing ridership patterns and the period of time that Bike Share has operated with the current rate structure in place, TPA is proposing to carry out a review of the current rates, as well as, the rate structure. An updated rate structure will provide an opportunity for members to choose the right plan for them, which could include higher ride times (for example, 45 minute or 60-minute ride time annual membership) or a pay as you go model. TPA is also investigating the opportunity to develop a corporate pass program, that would provide companies with a corporate rate that could be offered to its employees in order to boost green and active transportation.

As part of the review and anticipated update to the Bike Share rate structure, TPA will conduct additional customer research and feedback surveys to engage current and former members. TPA will also conduct an environmental analysis (jurisdictional scan) of world-leading bike share systems to study differences in ride times and rate structures. Lastly, TPA will study its own ridership data, including data associated with its pilot program to determine ridership patterns where station spacing is greater and the system less developed.

The results of the rate structure review will be brought forward to the TPA Board of Directors in the fourth quarter of 2021.

Providing a low-cost, barrier-free option for low-income users:

The City strives to apply an equity lens to its activities to identify and remove barriers and to support best practices in planning, budgeting, implementation and evaluation of its programs and services. TPA recognizes that how people commute to work; school or appointments is often tied to a person's socioeconomic status.

Toronto's Poverty Reduction Strategy aims to make transit options more affordable for low income residents. As Bike Share is often used by residents as a form of transit, TPA acknowledges the need to provide access to Bike Share in alignment with the City's Vision on Equity, Diversion and Inclusion, including the City's Poverty Reduction Strategy.

Bike Share Toronto is currently studying programs from across North America, such as Detroit's All Access Pass that provides low income residents with a \$5 annual pass, and TTC's Fair Pass Discount Program, in an effort to design a Bike Share Toronto membership pass for low-income residents.

As part of the planned Bike Share Rate Review, TPA will assess the feasibility of implementing a new program that will make Bike Share more affordable to low income residents and provide recommendations to TPA Board of Directors as appropriate.

A strategic plan to align current and future bike share stations along newly installed ActiveTO bike lanes:

As part of the City's Covid-19 pandemic response, Transportation Services implemented the ActiveTO program in the summer of 2020, which involved closing major roads for active transportation, expanding the cycling network and rolling out the Quiet Streets program. Working with Transportation Services, TPA installed an additional seventeen bike share stations along ActiveTO routes. These locations were successful in increasing Bike Share ridership by 85 percent compared to 2019. TPA will continue to work with Transportation Services to strengthen the presence of Bike Share as part of the 2021 ActiveTO program.

Working with its operating partner SHIFT, Bike Share Toronto will deploy additional resources alongside ActiveTO routes for the spring and summer of 2021, including the installation of pop-up stations along temporary ActiveTO major road closures that will increase the supply and availability of bikes to the public, including parts of the City, not currently served by the Bike Share system. TPA is also working with Transportation Services and Strategic Communications to cross promote ActiveTO and Bike Share and will explore further opportunities to collaborate on the promotion of cycling infrastructure, programs and services.

TPA continues to work with Transportation Services to ensure that space for Bike Share stations is included in the design of future cycling infrastructure. As the City continues to build out the Council-approved cycling network plan and ActiveTO routes, TPA will work with Transportation Services to incorporate Bike Share stations in their designs, where possible.

Incorporating Bike Share Toronto stations along designated cycling and multi-use routes will positively contribute to the continued growth of cycling rates and provide residents with access to publicly available bicycles.

Integrate PRESTO technology into Bike Share Operations:

Bike Share customers are currently able to purchase a pass via the app, website or at the kiosk station using a credit card. As part of its commitment to provide Bike Share customers with the easiest possible experience when paying and unlocking a bike, TPA will evaluate new opportunities for payment options, such as offering Tap & Go technology at its stations and integrating PRESTO technology to offer residents an integrated multi-modal transit system.

CONTACT

Jeffrey Dea, Vice President Business Development, Toronto Parking Authority
437-243-6545, jeffrey.dea2@toronto.ca

Justin Hanna, Director Bike Share Toronto, Toronto Parking Authority
416-393-7266, Justin.Hanna@toronto.ca

SIGNATURE

W. Scott Collier, President
Toronto Parking Authority