



SEATTLE CITY COUNCIL

Legislative Summary

CB 118618

Record No.: CB 118618

Type: Ordinance (Ord)

Status: Passed

Version: 3

125011

In Control: City Clerk

File Created: 01/25/2016

Final Action: 03/25/2016

Title:

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors:

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Divided Report

Drafter: cheryl.swab@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	01/26/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
1	City Clerk	01/26/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	01/27/2016	sent for review	Sustainability and Transportation Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Sustainability and Transportation Committee						
	Notes:						
1	Full Council	02/01/2016	referred	Sustainability and Transportation Committee			
	Action Text: The Council Bill (CB) was referred. to the Sustainability and Transportation Committee						
	Notes:						
1	Sustainability and Transportation Committee	02/02/2016	discussed				

Action Text: The Council Bill (CB) was discussed in Committee.

Notes:

- 1 Sustainability and 02/19/2016 discussed
Transportation Committee

Action Text: The Council Bill (CB) was discussed.

- 1 Sustainability and 03/01/2016 pass as amended
Transportation Committee

Pass

Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB) with a Divided Report.

In Favor: 4 Chair O'Brien, Vice Chair Johnson, Member Sawant, Juarez

Opposed: 2 Alternate Herbold, Burgess

- 2 Full Council 03/14/2016 passed as amended

Pass

Action Text: The Motion carried, the Council Bill (CB) passed as amended by the following vote, and the President signed the Bill:

Notes: **ACTION 1:**

Motion was made by Councilmember Burgess and duly seconded, to amend Council Bill 118618, Recitals, Sections 1 through 5, and by renumbering the remaining sections accordingly, as shown in the underlined and strike through language below:

Recitals

WHEREAS, the City Council requested a business plan including a financial analysis and information on long-term operations,

implementation, and spending before granting such authority; and

WHEREAS, Pronto bike share is facing insolvency; and

WHEREAS, SDOT presented a proposal for City acquisition and on-going City

ownership of Pronto bike share; NOW, THEREFORE,

~~WHEREAS, SDOT continues to develop the business plan for expansion and will~~

~~bring that before the City Council later this year; and~~

~~WHEREAS, to keep bike share operational in 2016, SDOT proposes that the City~~

~~take ownership of the system and contract directly with an operator; and~~

~~WHEREAS, SDOT will then conduct a competitive bid process for long term~~

~~operations and equipment for the bike share system; and~~

~~WHEREAS, the existing bike share system is currently insolvent and~~

~~may cease~~

~~operations, which would create a gap between Pronto's and the City's
operation~~

~~of the bike share system; NOW, THEREFORE,~~

Amended Section 1

Section 1. The Seattle Department of Transportation is granted a partial lift of the proviso in Green Sheet 93-1-A-1, part of The City of Seattle's 2016 budget, to satisfy the City's obligation on the Federal Transit Administration Grant for bike share and, if necessary, repay up to \$1,000,000 of grant funds in the event that Pronto bike share ceases operations.
~~purchase bike share assets from Pronto for \$1,400,000 to ensure that bike share remains operational in Seattle.~~

Amended Section 2.

Section 2. The remainder of the funds, totaling \$4,000,000, remains under proviso and may be available to support a future public-private partnership for bike share that does not rely on City of Seattle funding for operating revenue and appropriately shares responsibility for capital expenses. The Council understands that a future bike share system may make use of Pronto assets or may propose deploying new equipment. The Council will consider lifting the proviso on the remaining funds when the Seattle Department of Transportation provides a detailed Memorandum of Agreement between the City and an outside partner for Council approval that minimizes City investment and demonstrates a substantial shift in financial risk to the City's private partner, as well as a detailed spending and implementation plan and financial analysis of the future public-private

~~partnership bike share system. If a public-private partnership is not developed by the end of 2016 or the full amount is not needed, the remaining funds will be repurposed for high priority pedestrian and bicycle infrastructure safety projects. \$3,600,000, will not be appropriated until completion of the competitive process and vendor selection needed for expansion. Council anticipates that such authority will not be granted until the Seattle Department of Transportation provides a detailed spending and implementation plan and financial analysis of the expansion and long-term operations of the Bike Share program.~~

Delete Section 3

~~Section 3. Following acquisition of Pronto assets, SDOT will provide a monthly written report on bike share operations to City Council until January 2017. At a minimum, the report will include bike share ridership, program expenses and revenues, and a summary of SDOT actions to manage the bike share program.~~

Delete Section 4

~~Section 4. SDOT will incorporate feedback from the Council in developing the Request for Proposals for expansion of the bike share system. SDOT will involve the Council or Council staff in the review of responses to the Request for Proposals.~~

Delete Section 5

~~Section 5. The City Budget Office shall create a new Bike Share Fund in the development of the 2017-2018 Budget to manage expenses and revenues related to the program.~~

The Motion failed by the following vote:

In favor: Burgess, Herbold - 2

Opposed: Bagshaw, González, Harrell, Johnson, Juarez, O'Brien, Sawant - 7

ACTION 2:

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend Council Bill 118618, Section 2, as shown in the underlined language below:

Section 2. The remainder of the funds, totaling \$3,600,000, will not be appropriated until completion of the competitive process and vendor selection needed for expansion. Council anticipates that such authority will not be granted until the Seattle Department of Transportation provides a detailed spending and implementation plan and financial analysis of the expansion and long-term operations of the Bike Share program; and demonstrates that the following bicycle infrastructure projects are on schedule to be completed prior to an expansion of the bike share system:

- a) Dexter Ave N Protected Bike Lane (Mercer St to Roy St)
- b) Westlake Ave N Protected Bike Lane (W Raye St to Valley St)
- c) 2nd Ave Protected Bike Lane (Yesler Way to S Washington St)
- d) 9th Ave N Protected Bike Lane (Westlake Ave N to Denny Way)
- e) 2nd Ave Protected Bike Lane (Pike St to Denny Way)

ACTION 3:

Motion was made by Councilmember González, duly seconded and carried, to amend Council Bill 118618, by amending Sections 1 and 2, adding a new Section 6, and renumbering the remaining sections accordingly, as shown in the underlined language below:

Amended Section 1

Section 1. The Seattle Department of Transportation is granted a

partial lift of the proviso in Green Sheet 93-1-A-1, part of The City of Seattle's 2016 budget, to purchase bike share assets from Pronto for \$1,400,000 to ensure that bike share remains operational in Seattle; and \$50,000 for outreach activities as described in Section 6 of this ordinance.

Amended Section 2

Section 2. The remainder of the funds, totaling \$3,550,000~~\$3,600,000~~, will not be appropriated until completion of the competitive process and vendor selection needed for expansion. Council anticipates that such authority will not be granted until the Seattle Department of Transportation provides a detailed spending and implementation plan and financial analysis of the expansion and long-term operations of the Bike Share program.

New Section 6

Section 6. The Seattle Department of Transportation shall engage low-income populations and communities of color on the need for and expansion of the bike share system to serve these communities. SDOT shall consult with the Seattle Office for Civil Rights in the development of an outreach plan that is linguistically appropriate and culturally competent, and shall include surveys and direct public engagement. SDOT may engage community based organizations to assist in this outreach. SDOT shall report findings to Council as required by SMC 5.09.040, no later than September 30, 2016.

ACTION 4:

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend Council Bill 118618, Section 4, as shown in the underlined language

below:

Section 4. SDOT will incorporate feedback from the Council in developing the Request for Proposals for expansion of the bike share system, including the possibility of a combined free-floating and point-to-point model, deployment of electric bicycles, and expanding the existing system. It is the Council's intention that the Mayor engage the Council in the selection of the future bike share operator for the Bike Share RFP prior to any Council action to lift the proviso on the remaining \$3.5 million for expansion. ~~SDOT will involve the Council or Council staff in the review of responses to the Request for Proposals.~~

ACTION 5:

Motion was made and duly seconded to pass Council Bill 118618 as amended.

In Favor: 7 Councilmember Bagshaw, Councilmember González, Council President Harrell, Councilmember Johnson, Councilmember Juárez, Councilmember O'Brien, Councilmember Sawant
Opposed: 2 Councilmember Burgess, Councilmember Herbold

3	City Clerk	03/16/2016	submitted for Mayor's signature	Mayor
	Action Text:	The Council Bill (CB) was submitted for Mayor's signature. to the Mayor		
	Notes:			
3	Mayor	03/25/2016	Signed	
	Action Text:	The Council Bill (CB) was Signed.		
	Notes:			
3	Mayor	03/25/2016	returned	City Clerk
	Action Text:	The Council Bill (CB) was returned. to the City Clerk		
	Notes:			
3	City Clerk	03/25/2016	attested by City Clerk	
	Action Text:	The Ordinance (Ord) was attested by City Clerk.		
	Notes:			

CITY OF SEATTLE
ORDINANCE 125011
COUNCIL BILL 118618

AN ORDINANCE relating to the Seattle bike share program; authorizing a partial removal of the proviso included in 2016 budget Green Sheet 93-1-A-1; and ratifying and confirming certain prior acts.

WHEREAS, bike share has been transformative in more than 500 cities on five continents and in 90 municipalities in the United States; and

WHEREAS, the non-profit company, Puget Sound Bike Share, doing business as Pronto, launched bike share in Seattle in October 2014; and

WHEREAS 34,000 individuals have taken more than 160,000 trips on the 54-station, 500-bicycle system; and

WHEREAS, The City of Seattle's 2016 budget included a \$5,000,000 appropriation from Seattle Department of Transportation (SDOT) street use fee revenue to be used to expand bike share; and

WHEREAS, the City Council, in Green Sheet 93-1-A-1, imposed a proviso on the use of those funds for the expansion of bike share; and

WHEREAS, the City Council requested a business plan including a financial analysis and information on long-term operations, implementation, and spending before granting such authority; and

WHEREAS, SDOT continues to develop the business plan for expansion and will bring that before the City Council later this year; and

WHEREAS, to keep bike share operational in 2016, SDOT proposes that the City take ownership of the system and contract directly with an operator; and

WHEREAS, SDOT will then conduct a competitive bid process for long-term operations and equipment for the bike share system; and

WHEREAS, the existing bike share system is currently insolvent and may cease operations, which would create a gap between Pronto's and the City's operation of the bike share system; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Seattle Department of Transportation is granted a partial lift of the proviso in Green Sheet 93-1-A-1, part of The City of Seattle's 2016 budget, to purchase bike share assets from Pronto for \$1,400,000 to ensure that bike share remains operational in Seattle; and \$50,000 for outreach activities as described in Section 6 of this ordinance.

Section 2. The remainder of the funds, totaling \$3,550,000, will not be appropriated until completion of the competitive process and vendor selection needed for expansion. Council anticipates that such authority will not be granted until the Seattle Department of Transportation provides a detailed spending and implementation plan and financial analysis of the expansion and long-term operations of the Bike Share program; and demonstrates that the following bicycle infrastructure projects are on schedule to be completed prior to an expansion of the bike share system:

- a) Dexter Ave N Protected Bike Lane (Mercer St to Roy St)
- b) Westlake Ave N Protected Bike Lane (W Raye St to Valley St)
- c) 2nd Ave Protected Bike Lane (Yesler Way to S Washington St)
- d) 9th Ave N Protected Bike Lane (Westlake Ave N to Denny Way)
- e) 2nd Ave Protected Bike Lane (Pike St to Denny Way)

1 Section 3. Following acquisition of Pronto assets, SDOT will provide a monthly written
2 report on bike share operations to City Council until January 2017. At a minimum, the report
3 will include bike share ridership, program expenses and revenues, and a summary of SDOT
4 actions to manage the bike share program.

5 Section 4. SDOT will incorporate feedback from the Council in developing the Request
6 for Proposals for expansion of the bike share system, including the possibility of a combined
7 free-floating and point-to-point model, deployment of electric bicycles, and expanding the
8 existing system. It is the Council's intention that the Mayor engage the Council in the selection
9 of the future bike share operator for the Bike Share RFP prior to any Council action to lift the
10 proviso on the remaining \$3,550,000 for expansion.

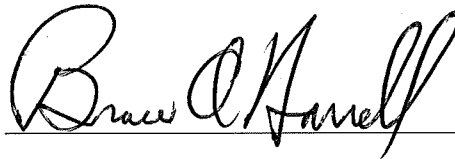
11 Section 5. The City Budget Office shall create a new Bike Share Fund in the development
12 of the 2017-2018 Budget to manage expenses and revenues related to the program.

13 Section 6. The Seattle Department of Transportation shall engage low-income
14 populations and communities of color on the need for and expansion of the bike share system to
15 serve these communities. SDOT shall consult with the Seattle Office for Civil Rights in the
16 development of an outreach plan that is linguistically appropriate and culturally competent, and
17 shall include surveys and direct public engagement. SDOT may engage community based
18 organizations to assist in this outreach. SDOT shall report findings to Council as required by
19 SMC 5.09.040, no later than September 30, 2016.

20 Section 7. Any act consistent with the authority of this ordinance taken after its passage
21 and prior to its effective date is ratified and confirmed.
22
23

Section 8. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 14th day of March, 2016, and signed by me in open session in authentication of its passage this 14th day of March, 2016.



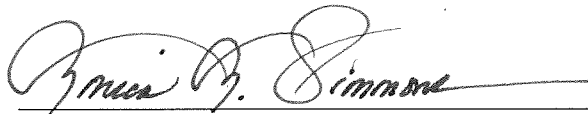
President _____ of the City Council

Approved by me this 25th day of March, 2016.



Edward B. Murray, Mayor

Filed by me this 25th day of MARCH, 2016.



Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
SDOT	Nicole Freedman/552-4085	Greg Shiring/386-4085

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Seattle bike share program; authorizing a partial removal of the proviso included in 2016 budget Green Sheet 93-1-A-1; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This legislation authorizes partial removal of the proviso on bike share included in the 2016 budget to allow SDOT to purchase bike share assets from the non-profit owner for \$1.4 million.

Puget Sound Bike Share, doing business as Pronto, launched a bike share system in Seattle in October, 2014. Due to ongoing operating losses brought on by debt service payments and operating overhead, the system is currently insolvent. The City seeks to purchase assets from Pronto and contract directly with the operator to keep bike share operational in Seattle. SDOT needs a portion of the funds allocated in the 2016 budget for bike share to purchase the assets.

Seattle's current system, operated by Pronto, is insolvent for several reasons. In this system, operations are outsourced to a third party (unlike other bike share systems) and this creates substantial overhead costs. Additionally, insufficient funds were raised for the initial equipment purchases and consequently, borrowing costs lead to ongoing debt service payments that contributed to year-end net losses. When overhead costs and debt service payments are removed, the bike share system costs and revenues are comparable with other successful bike share systems around the country. To shift the system to an operational equilibrium where costs are more in line with revenues, and then to proceed with an expansion, the City needs to acquire the portion of the assets that Pronto owns.

The current Pronto system consists of 54 stations, with total assets of approximately \$3.0 million. The City already owns 28 of the 54 stations. These 28 stations were purchased with a Federal Transit Authority (FTA) grant of \$1.0 million. The remaining 26 bike share stations were purchased by Pronto. The City will use \$1.4 million to purchase the 26 stations currently owned by Pronto, as well as remaining assets related to helmet services, station services, bike department, deployment, rebalancing, dispatch and spare station equipment. SDOT intends to contract with Motivate to operate the system in 2016. They will then bring before Council later this year a proposal to expand the system in 2017.

More than 500 cities in five continents including 90 municipalities in the United States operate bike share systems. Seattle, with its well-developed transportation infrastructure, is well positioned to operate a successful bike share system. The current system will not be operational in early 2016 without intervention. In the business plan, the City proposes to transform bike

share into a financially viable system that is integral to Seattle's public transportation infrastructure.

A Phase II expansion would deliver an overhauled system by 2017 featuring an expanded service area (80-150 stations), and practicable financials with the option for minimal to no responsibility for ongoing operations costs. The system will use, retrofit or sell existing equipment, and the possibility exists to introduce generation 4.0 electric bicycle share technology.

The system is expected to generate more than 500,000 trips per year, attract nearly 8,000 annual members and realize approximately \$1.35M in annual user revenue. By equilibrium in 2018, the system will recover roughly 100% of operating expenses from sponsorships and user fees.

The two-phase process is as follows:

1. Phase 1 - Acquire Pronto assets – Averts system shutdown. Q1 2016.
2. Phase 1 - Oversee Interim Operations – Effective through procurement. Q1-Q4 2016.
3. Phase 2 - Conduct Procurement – Enables expansion and ensures best outcome. Q2 2016.
4. Phase 2 - Expand System – Funded by approximately \$5M in capital investments. Q4 2016 – Q1 2017.
5. Phase 2 - Launch Expanded System – Q2 2017.

2. CAPITAL IMPROVEMENT PROGRAM

X This legislation creates, funds, or amends a CIP Project.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:
Bike Share Expansion	TC367690	Various	Q1-2016	N/A	

3. SUMMARY OF FINANCIAL IMPLICATIONS

X This legislation does not have direct financial implications.

\$5.0M was appropriated in the 2016 budget for the Bike Share Expansion project and SDOT is requesting authorization to spend \$1.4M for the purpose of purchasing bike share assets from Puget Sound Bike Share.

4. OTHER IMPLICATIONS

- a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

Once the city purchases assets, the City will be responsible for contracting with an operator. This will likely include some financial responsibility for operating costs and equipment recapitalization at the end of its useful life.

- b) Is there financial cost or other impacts of not implementing the legislation?**
The City will likely need to reimburse the FTA and/or WSDOT \$1+ million for bike share equipment purchased with grants that require equipment to remain in operation.
- c) Does this legislation affect any departments besides the originating department?**
No.
- d) Is a public hearing required for this legislation?**
No.
- e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No.
- f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- g) Does this legislation affect a piece of property?**
No.
- h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
This legislation provides funding for Phase I of the bike share expansion, which is to purchase existing equipment for \$1.4M. However, Phase II of the proposed expansion, which will come in front of Council later this year, includes \$600K to expand into Southeast Seattle. Additionally, one component of the expansion plan is to offer discounted memberships for low-income customers. And so, although Phase I of the funding does not directly impact vulnerable or disadvantaged communities, the planned expansion will bring bike share into previously unserved low-income communities, and provide discounts that allow more members of the community to take advantage of this service.
- i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**
This legislation does not represent an expansion of the bike share program, but rather partially lifts a proviso on appropriated funds for the bike share program that will allow the system to stay operational through 2016.
- j) Other Issues:** None.

List attachments/exhibits below: None.

STATE OF WASHINGTON -- KING COUNTY

--SS.

335553

No. 125007,08,09,10,11

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY ORDINANCES

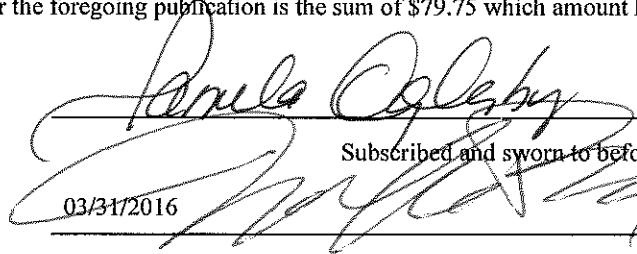
was published on

03/31/16

The amount of the fee charged for the foregoing publication is the sum of \$79.75 which amount has been paid in full.



Affidavit of Publication


Subscribed and sworn to before me on
03/31/2016

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on March 14, 2016, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

Ord 125007

AN ORDINANCE approving an amendment of the Property Use and Development Agreement approved by Ordinance 123923 for property located at 3902 S. Ferdinand Street.

Ord 125008

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof. Ord 125009 AN ORDINANCE relating to City employment; authorizing the execution of collective bargaining agreements between The City of Seattle and certain unions; and ratifying and confirming certain prior acts.

Ord 125010

AN ORDINANCE relating to civil rights: authorizing the Director of the Office for Civil Rights or her designee to execute an agreement with the Social Justice Fund, a Washington non-profit, to provide services relating to zero youth detention projects; amending Ordinance 124927 by lifting a budget proviso; and ratifying and confirming certain prior acts.

Ord 125011

AN ORDINANCE relating to the Seattle bike share program; authorizing a partial removal of the proviso included in 2016 budget Green Sheet 93-1-A-1; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, March 31, 2016.

3/31(335553)