



Regional Bike Share Policy Steering Committee
Meeting Date: 8/28/2020

Agenda Item No: 2020-August-1

Subject: Approve Assignment of JUMP Program Agreement to Lime

<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Consent	<input type="checkbox"/> Information	<input type="checkbox"/> R&F	<input type="checkbox"/> Report	<input type="checkbox"/> Workshop
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Attachments: X Y <input type="checkbox"/> N					

Issue: Should the Policy Steering Committee approve assignment of the Program Agreement between Sacramento Area Council of Governments (SACOG) and JUMP to Lime with interim amendments to the terms of service, including an increase in user fees.

Recommendation: That the Policy Steering Committee approve assignment of the Program Agreement with JUMP to Lime, with interim amendments through November 2020.

Background: In May 2017, SACOG entered into the Program Agreement Between Social Bicycles Inc. (now JUMP/Uber) and Sacramento Area Council of Governments for Sacramento Area Bike Share (“Agreement”). After an initial preview period, the full system launch occurred in 2018. While originally planned for mostly regular pedal bicycles, with only 200 electric-assist bikes, the region ultimately launched the largest all electric-assist bike share system in North America. The system became JUMP’s number two market globally measured in number of total trips.

In mid-March of this year, JUMP suspended bike share operations in response to the local stay-home orders due to COVID-19. Then, on May 7, SACOG and the city partners learned that Lime acquired Uber’s ownership interest in JUMP and was proposing to take over JUMP operations. However, the Agreement provides certain approval rights to SACOG over assignment of the Agreement and user fees. The Agreement expires in May 2021.

In close consultation with the city partners, SACOG has been in discussions with Lime regarding a relaunch of the bike share system, the contract obligations through May 2021, and the potential for a longer-term agreement beyond that time.

Discussion/Analysis: Lime has expressed reservations about operating bikes in any markets for the following reasons: (1) based on both JUMP and Lime data, Lime asserts that bike share operations were incurring losses of approximately \$5 per trip; (2) much lower capital and operating costs make scooters profitable by comparison; (3) scooters are needed to subsidize any bike operations; and (4) Lime has observed dramatic reductions in the demand for micromobility devices throughout California due to COVID-19.

Notwithstanding the foregoing, and the lack of information on ridership, revenue, and costs associated with relaunching bike share in the current environment, SACOG has been working with Lime and the city partners to reach agreement on a relaunch of the bike share system while continuing to explore a longer-term agreement for bike share in the region. The result is a proposed agreement (See Attachment A) on the following terms:

- Consent to the assignment of the Agreement to Lime, subject to certain interim amendments effective through November 2020, during which time the parties would continue to negotiate in good faith on a longer-term agreement for a regional bike share system;
- Interim Amendments through November 2020:
 - A reduced fleet, starting at 150 bikes and ramping up to 600 over a 2-3 month period (based on rider demand);
 - Initial relaunch in Sacramento and West Sacramento, with expedited planning to launch bikes in Davis prior to 2021 based on U.C. Davis academic plans;
 - An increase in walk-up user fees, but with low-income, public health and safety worker, daily, and monthly passes to encourage recurring ridership (Attachment B);
 - Promotional walk-up user fees through September 30 (Attachment B);
- No additional fees would be due to the City of Sacramento for shared-rideable operation through November 2020, so long as Lime does not increase the number of devices beyond what is currently paid for under the current permit with the City of Sacramento and executes the bike rack maintenance agreement with the City of Sacramento.;
- No fees would be due to the City of West Sacramento for bike share operations through November 2020; and
- Lime would follow strict cleaning protocols to prioritize the safety of community members and riders during the pandemic.

Again, the objective of the interim amendments is to test ridership and collect more information about revenues and costs in our region in light of the impacts of Covid-19 and to continue to negotiate the potential for a longer-term sustainable agreement and explore other bike share options for the region. To relaunch on a faster timeline, Lime agreed to launch with temporary promotional walk-up pricing that is lower than the market rate price for which Lime is requesting as one of interim amendments to the Agreement.

Attachment B provides a comparison between the JUMP walk-up and membership fees that were in place prior to stay-home orders, the temporary walk-up fees that Lime is using through September 30, and the market rate walk-up and membership fees that Lime is requesting as part of the interim amendments through November 30. While SACOG and city partners have concerns about the impacts that increasing rider fees might have on restoring and maintaining high ridership, market forces do appear to be pushing the need for higher pricing. Therefore, discussions have focused on providing pricing packages that work for those who are most in need and that encourage recurring ridership to create mode shift. For example, the low-income program (LimeAccess) is only \$5 per year and includes free 30-minute rides up to five times per day, which is an improvement over the 60 minutes per day that was offered through the JUMP low-income program (Boost).

Attachment C is a map of the equity areas with the Lime service area outlined. Lime will redistribute 20 percent of the fleet each morning into the equity areas that are within the Lime services area.

Lime, SACOG, and city partners agree to review ridership and financial data throughout the interim period to inform the potential of a longer-term agreement beyond May 2021.

The PMT recommends that the committee approve the assignment of the Agreement to Lime with the interim amendments. Should Lime and SACOG (on behalf of city partners) not reach agreement on a longer-term contract prior to November 30, the terms in the original Agreement would remain in effect through the remaining term (May 15, 2021).