



**Regional Bike Share Policy Steering Committee**  
**Meeting Date: 12/2/2020**

**Agenda Item No: 2020-December-2**

**Subject:** Potential Extension of the Program Agreement with 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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<b>Attachments:</b> <input checked="" type="checkbox"/> Y <input type="checkbox"/> N					

**Issue:** Should the Policy Steering Committee approve an extension of the Program Agreement between the Sacramento Area Council of Governments (SACOG) and Lime with amendments to the terms of service?

**Recommendation:** The Bike Share Project Management Team recommends that the Bike Share Policy Steering Committee recommend that the SACOG Board of Directors approve an extension of the Program Agreement with Lime.

**Background:** On August 28, the Bike Share Policy Steering Committee approved the assignment of the Program Agreement to Lime with interim amendments that expired on November 30. Since that time, SACOG has worked with the city/regional partners to continue to explore a longer-term deal with Lime, while also examining other options for bike share in the region, all with the objective of informing decisions on a path forward for a more sustainable bike share system in the region. The research and analysis of regional bike share options is addressed in first item on this agenda. This item, informed by that research and analysis, presents an option to continue bike share in the near term while the region updates the bike share business plan and considers the longer-term delivery of micromobility for the region’s residents.

**Discussion/Analysis:** Given the key findings from the bike share and shared micromobility white paper, the unknowns around ridership in the pandemic, the disruption in the shared micromobility marketplace, and that the regional bike share agreement expires in six months, SACOG, in coordination with the city/regional partners, has negotiated a potential extension of the Program Agreement with Lime for consideration by the committee.

The terms of the extension are outlined in Attachment A. The objective of the extension is to keep bike share operating in the region, to continue to test ridership in current and post-pandemic market conditions, and to collect more information about revenues and costs in light of the impacts of Covid-19. The extension would cover two years, with a SACOG option to extend up to three more years.

A key aspect of the extension is a cost and revenue sharing term, in which SACOG and partners would provide a potential monthly subsidy to Lime when ridership falls below a certain level

and would provide revenue sharing at higher ridership levels. The subsidy and revenue sharing schedule is outlined in Attachment B. Under the proposed agreement, any subsidy would cease when ridership exceeds 2.75 trips per bike per day, and Lime would pay SACOG and partners \$0.05 per trip when ridership reaches 3.5 trips per bike per day. Lime prepared a forecast that projects fleet size, ridership, and subsidy/revenue payments for 2021 (Attachment C). This forecast aligns with what we are seeing in terms of current ridership and what we could reasonably expect to see later in 2021. However, a key component of the proposed agreement is our ability to control the number of bikes in service and, therefore, the potential subsidy.

The subsidy would be funded with existing local match revenues from the regional bike share budget contributed by the Sacramento Metropolitan Air Quality Management District. The experience over the next two years will provide us information about the level at which we may or may not need to subsidize bike share over the longer term.

Again, the goal of this extension is to provide an option to continue bike share in the near term and collect more information about ridership, revenues, and costs in current and post-pandemic market conditions while the region updates the bike share business plan and considers the longer-term delivery of micromobility for the region's residents.

## Contract Extension Terms

- **Length of Agreement:** Two-year agreement; SACOG option to extend for up to three additional years.
- **Number of bicycles:** Initial fleet of 200 bicycles in Sacramento and West Sacramento, growing to 600 bicycles by March 1, 2021, subject to city permits. The actual number of active bikes in service on a monthly basis may be reduced at the request of SACOG.
- **Relaunch in Davis:** Lime will continue to expedite planning to relaunch bikes in Davis by March 1, 2021, subject to separate agreement; terms here apply only to Sacramento and West Sacramento.
- **Rider Pricing:** Lime will maintain current rider fees and SACOG reserves the right to reasonably approve future price increases.
- **Subsidy payments & revenue sharing:**
  - Subsidy Payments
    - SACOG will pay Lime a monthly subsidy amount based on number of active bikes in service and the trips per vehicle per day.
    - Subsidy levels will be as follows:
      - At .5 trips per vehicle per day (TVD), SACOG will pay \$0.70 per active vehicle in service per day;
      - At 1 TVD, SACOG will pay \$0.62 per active vehicle in service per day;
      - At 1.5 TVD, SACOG will pay \$0.55 per active vehicle in service per day; and
      - At 2 TVD, SACOG will pay \$0.38 per active vehicle in service per day.
  - Revenue Sharing
    - No subsidies will be paid in any month in which the calculated trips per active vehicle in service per day exceeds 2.75.
    - Lime will pay SACOG \$.05 per trip in any month in which the calculated trips per vehicle per day exceeds 3.5.
  - Support for bike share operations
    - Lime will use its best efforts to promote bike share use and will not promote scooter use to the disadvantage of bike share ridership.
    - Subsidy payments are conditional on Lime using its best efforts to support bike share.
- **Parking:** Lime will move improperly parked devices within 2 hours and continue working with cities to develop strategies aimed at changing rider behavior to reduce the number of improperly bikes.

- **Data Sharing:** Subject to agreement by the parties on data privacy provisions, Lime will provide micromobility device location and usage information to SACOG and the city partners.
- **COVID-19 cleaning protocols:** Lime will follow strict cleaning protocols to prioritize the safety of community members and riders during the pandemic.



# SACOG - Subsidy Proposal

	Scenario 1 - .5 TVD	Scenario 2 - 1 TVD	Scenario 3 - 1.5 TVD	Scenario 4 - 2 TVD	Scenario 5 - 2.5 TVD	Scenario 6 - 3 TVD	Scenario 7 - 3.5 TVD	Scenario 8 - 4 TVD
<b>Subsidy</b>	\$0.70 per vehicle per day	\$0.62 per vehicle per day	\$0.55 per vehicle per day	\$0.38 per vehicle per day	\$0.38 per vehicle per day	--	Lime pays SACOG 5 cents per trip	Lime pays SACOG 5 cents per trip
<b>Monthly Total</b> <i>Assuming 500 ebikes</i>	<b>\$10,850 monthly</b> (\$21.70 per vehicle per month)	<b>\$9,610 monthly</b> (\$19.22 per vehicle per month)	<b>\$8,525 monthly</b> (\$17.05 per vehicle per month)	<b>\$5,667 monthly</b> (\$11.33 per vehicle per month)	<b>\$5,667 monthly</b> (\$11.33 per vehicle per month)	--	<b>Lime pays \$2,712.50 monthly</b>	<b>Lime pays \$3,100.00 monthly</b>

**< 3 TVD = SACOG subsidy to Lime**

**> 3.5 TVD = Lime  
payment to SACOG**



# 2021 Forecast: Fleet & Utilization

1

2

3

4

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Fleet Size	300	300	500	500	500	500	500	500	750	750	750	550	--
TVD*	0.6	0.6	0.8	1	1	1.5	2	3	4	3.5	2.5	2	--
\$ To SACOG*	--	--	--	--	--	--	--	--	\$4,500	\$4,069	--	--	\$8,569
\$ To Lime*	\$6,510	\$5,880	\$9,610	\$9,610	\$9,610	\$8,525	\$5,890	--	--	--	\$8,550	\$6,479	\$70,664

\* Projected

1

**Assumption: COVID-19 will still limit utilization until September 2021.**

*Currently, across all California scooter markets, Lime sees a loss of -40% of Monthly Average Users. We have used this as a baseline haircut across the board and then adjusted further using bike and market historicals.*

2

Due to seasonality and current utilization Lime proposes holding off on increasing the fleet to 500 until March 2021.

3

With the assumption a vaccine will be distributed enough by September 2021 thus allowing for a complete lift of shelter in place Lime proposes returning to a 750 fleet in Sacramento.

4

Due to seasonality and based off of Jump's December 2019 utilization (1.6 TVD) Lime proposes reducing the fleet by 27% to control cost.