

# CYCLE SHIFT

Public bike-share programs turn to private operators **By SAMSON AMORE** Staff Reporter

**R**unning a bike-sharing outfit can be a challenge for municipalities, and local government entities are increasingly outsourcing the task to private firms.

Los Angeles County, Santa Monica, West Hollywood, Beverly Hills and Long Beach have all contracted out their bike-share programs, with local firms seeing millions of dollars in revenue as a result.

Santa Monica-based **Cyclehop** operates the Beverly Hills, Santa Monica and West Hollywood bike-share programs, as well as a program on **UCLA's** campus. The firm has a total fleet of roughly 830 bikes servicing these locations, including 500 in Santa Monica and 130 on the UCLA campus.

These three municipalities operated their own programs before contracting with Cyclehop, which took over operations in April and merged the disparate programs into a 35-square-mile network of smart bikes connected by GPS called Bike Share Connect.

West Hollywood pays Cyclehop \$344,750 annually to run the bike share while Beverly Hills reported it forks over \$110,000 each year. Santa Monica paid Cyclehop \$5.6 million in 2014 as the first installment in an eight-year contract with a potential total value of \$10 million.

Cyclehop and New York-based Social Bicycles Inc. – the bike manufacturer – offered sponsorship to Santa Monica-based streaming outfit **Hulu**, which now advertises on West Hollywood's bright green cycles. The city of Santa Monica receives the revenue from the sponsorship agreement.

Cyclehop Director of Government Relations **Chelsea Davidoff** wouldn't disclose what Hulu paid but said "they saw the unique value in the sponsorship opportunity presented" and signed on in November 2015 before the company took over the cities' bike share operations.

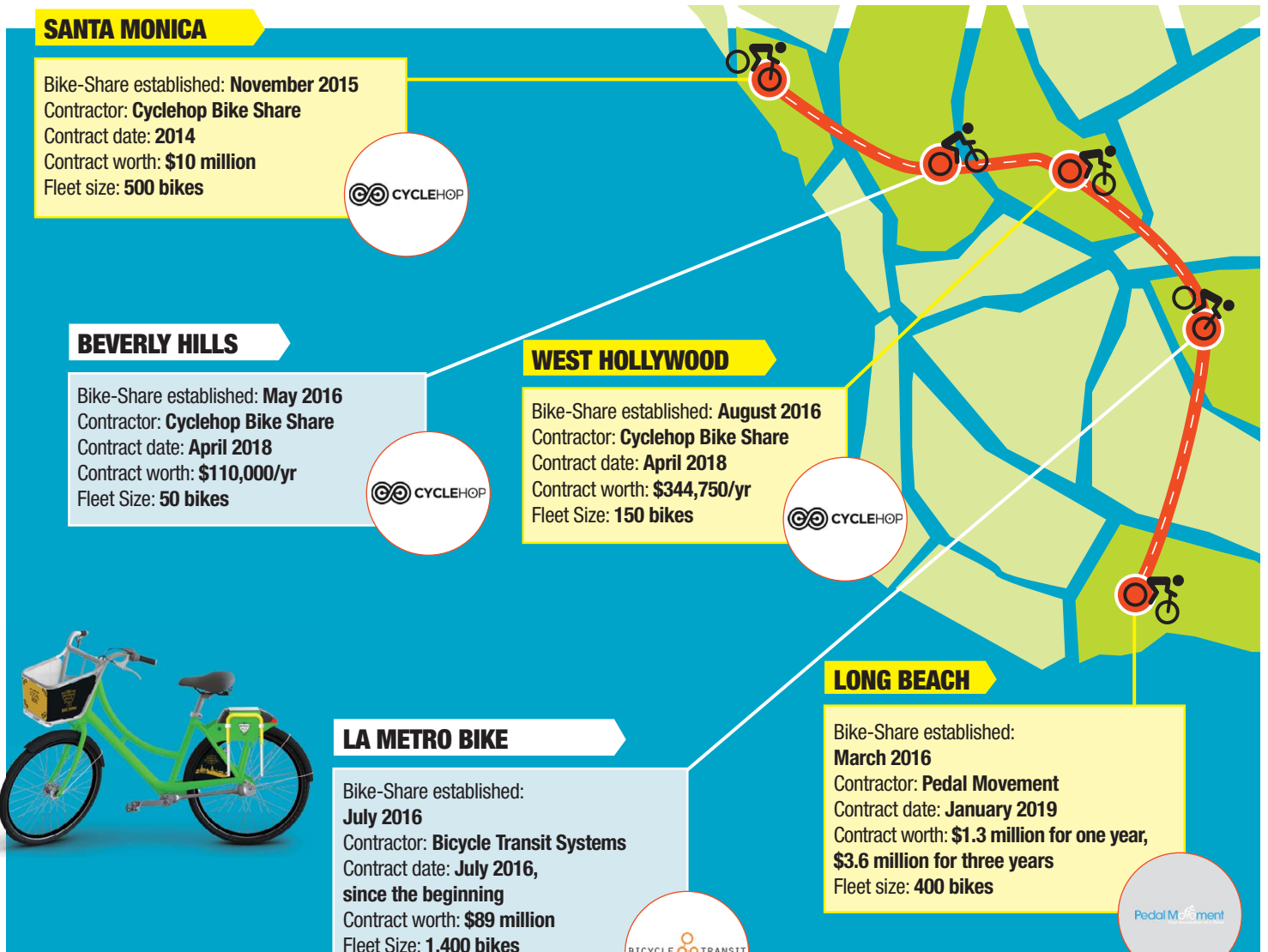
Another local player benefitting from the move toward public/private bike share partnerships is Long Beach-based **Pedal Movement**, which on Jan. 24 signed a \$1.3 million contract to operate the City of Long Beach's bike-share for one year. The company will handle a fleet of 400 bikes. The contract includes the option to renew for three additional years, for an additional \$3.9 million. Social Bicycles, which was acquired by **Uber Technologies Inc.** for \$250 million in April, also provides Pedal Movement's bikes.

Pedal Movement Marketing Director **Nick Russo** said it's not easy to run a bike-share without technical knowledge, making it beneficial to hire private firms with micro-mobility experience.

The largest regional bike-share program – L.A. County's Metro Bike Share program – is the only operation to contract with a private firm, Philadelphia-based **Bicycle Transit Systems Inc.**, from its inception. The Los Angeles County Metropolitan Transportation Authority splits capital costs with the company evenly while 65 percent of operations and maintenance costs are covered by the county.

Metro has paid Bicycle Transit Systems \$89 million since the program began in 2016. That money covers operations as well as an expansion into Central and West L.A. that is set to come online by March 1. Bicycle Transit Systems will also help Metro implement smart bikes, which are self-locking and use GPS to track their location and geo-fence the bikes to contain them within a certain area.

Metro operates 1,400 bikes across downtown, the Port of Los Angeles and Venice Beach.



Smooth Ride: Beverly Hills and several other local cities contracted with Cyclehop in April.