

INTRODUCED: September 11, 2017

AN ORDINANCE No. 2017-163

To amend Ord. No. 2017-037, adopted May 15, 2017, which adopted the Fiscal Year 2017-2018 Special Fund Budget and made appropriations pursuant thereto, by creating a new special fund for the Department of Public Works called the Bike Share System special fund and by increasing estimated revenues from the bicycle share system provided pursuant to City Code §12-121(a) and the amount appropriated to the Department of Public Works' Bike Share System special fund by \$450,000.00 for the purpose of operating the bicycle share system provided pursuant to City Code §12-121(a).

\_\_\_\_\_  
Patron – Mayor Stoney  
\_\_\_\_\_

Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: SEPT 25 2017 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2017-037, adopted May 15, 2017, which adopted the Special Fund Budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018, and made appropriations pursuant thereto, be and is hereby amended by creating a new special fund for the Department of Public Works called the Bike Share System special fund for the purpose of operating the bicycle share system provided pursuant to section 12-121(a) of the Code of the City of Richmond (2015), as amended.

AYES:            9            NOES:            0            ABSTAIN:        \_\_\_\_\_

ADOPTED:      SEPT 25 2017      REJECTED:        \_\_\_\_\_      STRICKEN:        \_\_\_\_\_

§ 2. That Ordinance No. 2017-037, adopted May 15, 2017, which adopted the Special Fund Budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018, and made appropriations pursuant thereto, be and is hereby amended by increasing estimated revenues from the bicycle share system provided pursuant to section 12-121(a) of the Code of the City of Richmond (2015), as amended, by \$450,000.00 and increasing the amount appropriated to the Department of Public Works' Bike Share System special fund by \$450,000.00 for the purpose of operating the bicycle share system provided pursuant to section 12-121(a) of the Code of the City of Richmond (2015), as amended.

§ 3. This ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST
4-6867
AUG 14 2017
Office of the Chief Administrative Officer

O&R REQUEST

DATE: August 2, 2017

EDITION: 1

TO: The Honorable Members of City Council

RECEIVED

THROUGH: The Honorable Levar M. Stoney, Mayor

[Handwritten signature]

SEP 07 2017

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

[Handwritten signature]

OFFICE OF CITY ATTORNEY

THROUGH: Lenora Reid, Deputy Chief Administrative Officer - Finance

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THROUGH: John B. Wack, Director of Finance

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THROUGH: Jay A. Brown, Director of Budget and Strategic Planning

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THROUGH: Robert C. Steidel, Acting Deputy Chief Administrative Officer - Operations

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THROUGH: Bobby Vincent, Director of Public Works

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THROUGH: M. S. Khara, P.E., City Engineer

FROM: Jakob C. Helmboldt, Pedestrian, Bicycle and Trails Coordinator

MBS FOR JCH

RE: TO AMEND THE FY18 ADOPTED BUDGET TO CREATE A "BIKE SHARE SYSTEM" SPECIAL FUND AND TO APPROPRIATE \$450,000 IN ANTICIPATED REVENUES FOR THE OPERATION OF THE RICHMOND BIKE SHARE SYSTEM.

ORD.OR RES. NO. \_\_\_\_\_

PURPOSE: To amend Ord. No. 2017-037, adopted May 15, 2017, which adopted the Special Fund Budgets for Fiscal Year 2017-2018, by creating a new Special Fund for the Department of Public Works entitled "Bike Share System" and by increasing anticipated revenues from advertising, sponsorships, and user fees deriving from the bicycle share system established pursuant to City Code § 12-121 and the amount appropriated to the new "Bike Share System" Special Fund by \$450,000 for the purpose of operating the bicycle share system established pursuant to City Code § 12-121.

REASON: The City of Richmond's Bike Share System (the "System") requires a Special Fund in order to receive revenue streams generated by the operation of the System, and to allocate and expend those anticipated revenues, not to exceed \$450,000 for the continued operation and potential expansion of the System. The City Council-approved user fees, future sponsorships of

the System, and kiosk advertising revenues must be directed to a Special Fund for use in offsetting operation and maintenance costs of the System to ensure it is self-sustaining.

**RECOMMENDATIONS:** The Department of Public Works recommends approval.

**BACKGROUND:** The City's bike share system will generate revenues through three sources; user fees and memberships to utilize the system; sponsorship revenue to offset operation and maintenance costs; and advertising revenues from bike and station kiosk advertisement panels. City Council approved a user fee schedule on June 27, 2016 with Ordinance No. 2016-183. Any sponsorship agreements or advertising agreements will need to be approved by City Council in future actions.

These revenue streams will help to ensure the sustainability of the System and all related revenues generated by the System need to be directed back to the System for this purpose and to minimize or eliminate any need for ongoing city funding for operation of the System.

The System will launch in two successive phases, each with 20 docking stations and 220 bikes. The first phase of the System is anticipated to launch in summer 2017. The 2nd phase will introduce electric pedal-assist (pedelec) bikes, making the System usable by a broader range of people and making the City of Richmond one of the earliest adopters of a pedelec bike share system.

The City has contracted with Bewegen Technologies of Montreal, Quebec, Canada to provide the docking stations and bicycles, and with their subcontractor, Corps Logistics, to provide the daily operations and maintenance of the equipment. Funding for the first phase and the first year of operations and maintenance was provided by grant funding in the amount of \$1,064,000 through the Congestion Mitigation and Air Quality (CMAQ) Program. The City provided a match of \$280,000 for a total of \$1,344,000 for Phase I implementation. A second allocation of \$1.94 million dollars has been provided by the CMAQ Program via the Richmond Regional Transportation Planning Organization and VDOT for expansion of the system, including the addition of pedelec (electric pedal-assist) bicycles. Upon successful implementation of the second phase of the System the City will have in service at least 440 bikes and 40 docking stations.

A best case scenario estimates that the annual funds received from the three revenue streams would total \$550,000 during the first year of operations with 220 bikes and 20 docking stations. All revenues generated by the system will be budgeted in this Special Fund and will be used strictly for the operations, maintenance, and expansion of the System. The requested budget amendment of \$450,000 is a 10-month proration of the best-case scenario estimate.

**FISCAL IMPACT/COST:** None anticipated. The first year of operation and maintenance of the System is funded through the CMAQ award in the amount of \$393,000. This will allow the City to direct any revenues generated from user fees, sponsorships, and advertising to the Special Fund only for the continued operations and expansion of the System. Annual O&M costs following expansion of the system to 440 bikes is estimated to increase to \$680,000. The City anticipates the operations of the system to be cost-neutral with increases in annual revenues upon system expansion.

**FISCAL IMPLICATIONS:** Not establishing this Special Fund will not allow revenues generated by the System to be accepted, appropriated, and expended on behalf of sustaining the operations and maintenance of the System.

**BUDGET AMENDMENT NECESSARY:** Yes. Amend FY18 Budget to create a “Bike Share System” Special Fund and to appropriate anticipated revenues in the amount of \$450,000 for the operation of the System.

**REVENUE TO CITY:** \$450,000. Revenue for the first phase of operations for a 10 month period is anticipated to be \$450,000 and is dependent upon the use and “uptake” of the system, sponsorships, and advertising revenues generated.

**DESIRED EFFECTIVE DATE:** Upon adoption.

**REQUESTED INTRODUCTION DATE:** September 11, 2017

**CITY COUNCIL PUBLIC HEARING DATE:** September 25, 2017

**REQUESTED AGENDA:** Consent Agenda

**RECOMMENDED COUNCIL COMMITTEE:** None

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** NA

**AFFECTED AGENCIES:** Department of Public Works; Finance Department; Budget and Strategic Planning; Copies also sent to: City Mayor (Levar M. Stoney); Chief Administrative Officer (Selena Cuffee-Glenn); Acting Deputy Chief Administrative Officer (Robert C. Steidel); and City Attorney’s Office (2).

**RELATIONSHIP TO EXISTING ORD. OR RES:** City Code § 12-121 establishing a bike share system and an associated fee schedule – Ord #2016 -183.

**REQUIRED CHANGES TO WORK PROGRAM(S):** Receipt of monthly revenue remittances from the vendor.

**ATTACHMENT:** None.

**STAFF:** M. S. Khara P.E., City Engineer, 646-5413  
Jakob Helmboldt, Pedestrian, Bicycle and Trails Coordinator, 646-7141