Staff Report

File #: 18-117
Version: 1

Date: 11/13/2018
Item #: 3.3a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Agreement between the City of Salem and Zagster, Inc., to place bike-sharing stations on City property.

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council authorize the City Manager to execute an agreement with Zagster, Inc., to place bike-sharing stations on City property and waive fees for the term of the agreement?

RECOMMENDATION:

Authorize the City Manager to execute an agreement with Zagster, Inc., to place bike-sharing stations on City property and waive fees for the term of the agreement.

SUMMARY AND BACKGROUND:

In 2017 Council approved a grant agreement with Osborne Adventures to establish bike sharing stations on City property. Orborne Adventures has reached an agreement with Zagster, Inc., to be the service provider, while Orborne Adventures will continue to solicit sponsorship funding for the service. The proposed agreement is between the City, as a property owner, and Zagster, Inc., as a service provider.

Zagster, Inc., is a bike sharing company headquartered in Boston and with offices in San Francisco and Philadelphia. The bike-share program offered by Zagster is a mobility option for point-to-point trips or longer recreational rides that allows users to access bicycles located at a network of self-service stations.

Zagster is proposing to launch a bike-share program in Salem that will include four stations located

on City property. Two stations will be located at the north and south ends of Riverfront Park, a third station is in the public right-of-way near the Downtown Transit Center, and the fourth is in the public right-of-way immediately north of Bush's Pasture Park.

Attachment 1 is an agreement between the City as property owner and Zagster as the service provider. Attachment 2 shows the four self-service stations proposed to be located on City property. All four stations will require written approval by the City and a revocable license before installation. Zagster is also working with other property owners to place stations on private property to provide a more extensive network.

FACTS AND FINDINGS:

A bike-share program supports policies adopted in the *Salem Transportation System Plan*.

Participants can pick up a bicycle at any self-serve bike station and return it to the original station or any other bike station located within the system's service area. The bikes are available 24 hours a day, seven days a week. The system is accessed through a smart phone application. Pricing options range from hourly rates to annual membership fees.

The bike-share program will use bikes specifically designed to limit theft and vandalism. The lock is a hardened-steel shackle that allows the user to lock and unlock utilizing a code. The cost for each specialty bike is approximately $1,500 and the bikes will be purchased through sponsorship funds from local businesses and organizations.

Zagster proposes four locations on City property. Two locations are in parks and two are in City right -of-way.

1. East of the Union Street Bridge-on right-of-way in the vicinity of the east entrance to the Union Street Bridge

2. Riverfront Park-south of playground and restrooms

3. Bush's Pasture Park-adjacent to parking lot south of intersection of Mission and Winter Streets SE

4. Salem Transit Center-on right-of-way near the southwest corner of Chemeketa and Church Streets NE

The Salem Parks and Recreation Advisory Board received a briefing on the bike sharing proposal on April 13, 2017, that included the locations for the four stations on City property. All four locations have been reviewed and approved by Public Works.

Subject to Council approval, the City will waive any fees on Zagster related to placing a station on City property for the term of the agreement. With the exception of those fees, Zagster will be responsible for all costs related to installation, service, and maintenance of all facilities related to the

program. All signage placed at the stations will be in accordance with the City's Sign Code (SRC Chapter 900). The stations themselves are solar powered, and require no connection to utilities.

Zagster informed City staff that bike sharing stations could be launched within approximately 60 days from Council approval and final signature. For funding, Zagster has established a partnership with Osborne Adventures, a nonprofit organization that has currently obtained sponsorships from at least 15 corporations.

On July 26, 2017, City Council approved an agreement for a $5,000 grant to Osborne Adventures to fund infrastructure costs for six bike-sharing stations. The grant agreement remains unsigned and two stations have subsequently been removed from consideration. Osborne Adventures intends to work with the City on a new agreement which, if discussions are successful, will be brought to Council for consideration at a later date.

Robert D. Chandler, PhD, PE
Assistant Public Works Director

Attachments:
1. Agreement for Bicycle Sharing Services
2. Exhibit A: Bike-Share Locations Map