



## Legislation Text

File #: 62323, Version: 1

### Fiscal Note

The proposed resolution authorizes the Mayor and City Clerk to enter into a new ten-year operating agreement for the B-Cycle bike share program. B-Cycle is responsible for the costs associated with the program and no city appropriation is required. Any City staff time associated with the program would be absorbed within agency adopted budgets. Additionally, B-Cycle is required to reimburse the City for electrical expenses, \$40 annually for stations connected to the City's electrical supply, and pay an annual fee of approximately \$250 per station.

### Title

Authorizing the Mayor and City Clerk to Enter in a City-Sponsored Bicycle-Sharing Program Operating Agreement with B-Cycle LLC (2021-2040)

### Body

WHEREAS, Trek Bicycle Corporation ("Trek") is a Madison-area based company that is among the largest bicycle manufacturers in the world and a major employer in the Dane County region; and,

WHEREAS, Trek is the majority owner of B-Cycle LLC ("B-Cycle"), which manufactures and operates a next-generation bicycle-sharing program to address urban transportation needs; and,

WHEREAS, in 2010, Trek approached the City expressing a desire to enter into a partnership with the City to establish a privately owned and operated bicycle-sharing program in the City in which Trek would provide substantial capital investments for bicycles, bicycle-sharing stations, and daily operational expenses; and,

WHEREAS, on March 15, 2011, the City adopted ORD-11-00044, creating Madison General Ordinances Section 10.33, which ordinance allows for the placement of City-sponsored bicycle-sharing facilities in the right-of-way and on other City land through the granting of a bicycle-sharing facility privilege; and,

WHEREAS, on May 12, 2011, the City and Trek entered into a bicycle-sharing facility privilege agreement (the "Privilege Agreement"), as required by ordinance, which agreement is contingent upon the terms and conditions of an operating agreement between the City and Trek; and,

WHEREAS, on June 29, 2011, the City and Trek entered into a 10-year bicycle-sharing program operating agreement, during which time the resulting bicycle-sharing program, Madison B-Cycle, has grown to include 50 stations, many of which are located in the public right-of-way or on City property, and an all-electric bike fleet that saw more than 231,000 trips taken in 2019; and,

WHEREAS, Madison B-Cycle has proven to be a valuable part of the City's transportation network, providing alternative transportation options for City residents, workers and visitors, particularly in the downtown and campus area, and is a benefit to the City, Trek and B-Cycle;

WHEREAS, the initial operating agreement will expire on December 31, 2020, meaning that for Madison B-Cycle to continue to operate, succeed, and grow, it will be necessary for the City and Trek to enter into a new operating agreement which will, among other things, extend the Privilege Agreement and the legality of the program under MGO Sec. 10.33, continue to provide a mechanism for bicycle-sharing stations

to be located in the right-of-way and on other City property, as well as to contain limited advertising; and,

WHEREAS, over the last decade, the City has provided significant assistance in the establishment of Madison B-Cycle bicycle-sharing program currently operating in the City, and has expressed a commitment to continuing to provide such assistance to the program; and,

WHEREAS, in entering into a new operating agreement, Trek desires for B-Cycle to take over the operating agreement and will assign its interests to the Privilege Agreement to B-Cycle, which is acceptable to the City; and,

WHEREAS, it is the best interests of both the City and B-Cycle to enter into a new operating agreement for Madison B-Cycle program.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Mayor and the City Clerk are authorized to enter into a City-Sponsored Bicycle-Sharing Program Operating Agreement with B-Cycle LLC for an initial 10-year term (2021-2030) with a mutual option for a 10-year renewal (2031-2040), in a format that is approved by the City Attorney, and that is consistent with the agreement attached hereto.

BE IT FURTHER RESOLVED that as a condition of entering into this Agreement, the City accepts the assignment of the companion Bicycle-Sharing Facility Privilege Agreement, which Privilege Agreement is attached hereto, from Trek Bicycle Corporation to B-Cycle LLC.