



City Council Report

Date: December 11, 2017
To: City Council
Through: Natalie Lewis, Deputy City Manager
From: Niel Curley, Special Projects Manager
Subject: Fire Station 203 Lease with CycleHop

Purpose and Recommendation

City Council is requested to authorize the City Manager and/or his designee to execute a Lease Agreement with CycleHop, LLC to occupy the former Fire Station 203 at 1340 W. University Drive for a GRID Bike Share operations and maintenance center. The term of the lease agreement coincides with the service agreement (Prime Agreement) with CycleHop to provide bike share services which will end in October 2020.

CycleHop is the regional bike share provider for the City of Mesa, City of Tempe, and City of Phoenix (more info on Mesa's bike share system is provided in Appendix A). Mesa's prime agreement with CycleHop requires bike share services to be provided to Mesa at no cost including all maintenance and operations. Fire Station 203 will be used by CycleHop as an operations center to maintain bicycles and to provide bicycle education and safety classes for the community through partnership with the City's Bike and Pedestrian Program. The City has no immediate plans for the Fire Station which is currently empty.

Background and Discussion

With City Council authorization, the City of Mesa entered into the prime agreement with CycleHop in October 2015 to extend regional bike share services into Mesa for five years, or through October 2020. In 2020, and with City Council concurrence, the cooperative agreement may be extended for an additional five-year term.

The term of this Lease Agreement will the term of the prime agreement, key terms of the lease agreement would include:

- Tenant improvements and utilities are the sole responsibility of CycleHop.
- Tenant improvements beyond \$5,000 or that require a building permit require City approval.
- Monthly rent is \$1,729, with a provision for late fees.
- Parking will be available, but will not be exclusive to CycleHop.
- City may terminate the lease if CycleHop defaults on any of the terms or for convenience by giving CycleHop written notice.

Fiscal Impact

The lease will generate revenue for the City in the amount of \$20,748 annually.

Coordinated With

The Fire and Medical Department has given their approval to lease the space to CycleHop.

Appendix A

Grid is the regional bike share system in Phoenix, Tempe, and Mesa with 19 hubs and 100 bikes in the City of Mesa. Riders can access the bikes by purchasing a membership at gridbikes.com, through a Grid kiosk, or through the SoBi app. Memberships range from \$7 an hour for pay as you go to monthly plans for \$20 a month.

The Grid system utilizes smart-bikes that are GPS-enabled with an on-board lock and powered through a solar-powered panel. The panel powers an on-board computer that allows riders to check out a bike, unlock and lock it, put it on hold and report a problem. Riders can lock bikes anywhere within the system boundaries and are not required to lock them at a hub. Riders can locate and reserve bikes through the SoBi app.

Mesa's hubs are concentrated in downtown with a few stations at Riverview and at light rail stations. In September of 2017 there were 283 trips taken with the top 5 hubs as:

1. Dobson/Mesa Riverview	120 trips
2. Sloan Park – Cubs Stadium	58 trips
3. Main St./Mesa Dr.	33 trips
4. 6 th St./Mesa Dr.	31 trips
5. Main St./Center	13 trips

Mesa Bike Share System Boundaries:

