

To: CapMetro Board of Directors
 From: Catherine Walker, EVP, Chief Financial and Risk Officer
 Date: March 24, 2025
 Re: Proposed August 2025 Bikeshare Fare Adjustment

The purpose of this memo is to update the Board on planned changes to the CapMetro Bikeshare fare structure that are necessary to support the continued sustainability of the program, as well as future expansion.

The proposed changes include adjustments to all five fare types, reductions in the base allotted time per ride included in all passes, and a revised structure for overage fees to encourage users to take shorter trips and dock more frequently. Figure 1 shows the current and proposed fare structure.

Price	Pay-as-you-Ride	1-Day Pass	31-Day Pass	Annual Pass	Student Discount
Current	\$1.09 + \$0.23/min	\$12.99 (60mins) + \$4.33 per 30min	\$11 (60mins) + \$4.33 per 30min	\$86.60 (60mins) + \$4.33 per 30min	\$12 (60mins) + \$4.33 per 30min
Proposed	\$2.50 + \$0.25/min	\$10 (30mins) + \$0.25/min	\$25 (30mins) + \$0.25/min	\$150 (30mins) + \$0.25/min	50% off Annual Pass (30mins) + \$0.25/min

(Minutes) refer to the base allotted time per ride.

Figure 1: Existing and Proposed Bikeshare Fare Structure

If approved by the CapMetro Board, the proposed Bikeshare fares will continue to be some of the lowest fares among comparable public systems in the U.S., and less than private bikeshare and scooter-share systems. The Board will consider approving the proposed fare structure in April and, if approved, the proposed fare structure would go into effect in August 2025.

Background

In 2013, the City of Austin (the “City”) launched a public bike sharing program operated and maintained by a non-profit organization. Beginning in 2020, CapMetro and the City agreed to incorporate the bike sharing program into CapMetro’s transit system and jointly fund the program in accordance with an interlocal agreement between the parties. As part of this agreement, CapMetro assumed the operations, maintenance, and planning of the Bikeshare program. In addition, CapMetro retains fare and ad revenue generated by the Bikeshare program in order to subsidize the operating cost and sustain the program.

The Bikeshare system was recently upgraded to include an all-electric fleet, a new app and user interface, and 73 new stations were installed. CapMetro and the City are also coordinating on an expansion of the system in coming years.

Proposed Fare Adjustments

As CapMetro works jointly with the City to balance costs of operating and maintaining the system to ensure long-term financial sustainability, CapMetro is proposing a fare change for Bikeshare. Bikeshare fares have been the same since the system was launched in Austin in 2013, are not reflective of the enhanced, all-electric system that exists today, and are not financially sustainable for the current system nor an expanded one.

Currently there are five different types of fares. All five require a user to download the CapMetro Bikeshare app and provide a credit card number for charges prior to checking out a bike. Figure 2 shows the existing fare structure.

Fare Type	Price	Allotted Time Per Ride	Overage Fee	Overage Interval
Pay-as-you-Ride	\$1.09 + \$0.23/min	N/A	N/A	N/A
1-Day Pass	\$12.99	60 minutes	\$4.33	30 minutes
31-Day Pass	\$11	60 minutes	\$4.33	30 minutes
Annual Pass	\$86.60	60 minutes	\$4.33	30 minutes
UT Student Pass	\$12	60 minutes	\$4.33	30 minutes

Figure 2: Existing Bikeshare Fares

Figure 3 shows the proposed changes.

Fare Type	Price	Allotted Time Per Ride	Overage Fee	Overage Interval
Pay-as-you-Ride	\$2.50 + \$0.25/min	N/A	N/A	N/A
1-Day Pass	\$10	30 minutes	\$0.25	1 minute
31-Day Pass	\$25	30 minutes	\$0.25	1 minute
Annual Pass	\$150	30 minutes	\$0.25	1 minute
Student Discount*	50% Discount on Annual Pass			

Figure 3: Proposed Bikeshare Fares

* To be eligible to receive the discount, students must provide documentation demonstrating their current enrollment in an educational institution. All other Bikeshare terms and conditions apply, including being at least 18 years old and registering with a valid credit card.

The proposed fare adjustments seek to simplify the fares and to allow the program to remain sustainable. The five fare types will remain with the following changes:

- **The base fare will change across the fare types.** All fares, except for the day pass, will be raised. The day pass will instead lower to align better with the structure and is similar to the same fare found at agencies across the nation.
- **The student fare will be modified to become a discount for students aged 18 and over.** College students are currently the largest single user group of Bikeshare customers. The current price structure is a legacy fare from when Bikeshare launched in 2013 and the student pass is only available to UT students; the current fare is not properly priced given the value of an annual pass. By creating a student discount, it will open this fare to all individuals 18 and

above currently enrolled in a school program, including trade schools, nursing schools, and high school.

- **The allotted time per ride provided in the base fare will change.** Currently, the 1 day, 31-day, annual and student passes all include 60 minutes of ride time as part of the base fare before any overage fees are assessed. The proposed fare structure reduces the included time to 30 minutes to encourage shorter trips and more frequent docking of the bikes, as is the intention of the system. This will ensure e-bikes are charged and shared among the community.
- **The fee charged to users who exceed the allotted time per ride (“Overage Fee”) will increase.** Currently, the fare structure charges customers \$4.33 for every 30 minutes they exceed the base allotted time per ride. The proposed fare structure changes the fee to \$0.25 for every minute after the initial 30-minute base allotted time, resulting in a more individualized charge to each user based on the time they actually are using, while, again, encouraging shorter trips and more-frequent docking.

Figure 4 illustrates the difference in the overage fee structure.

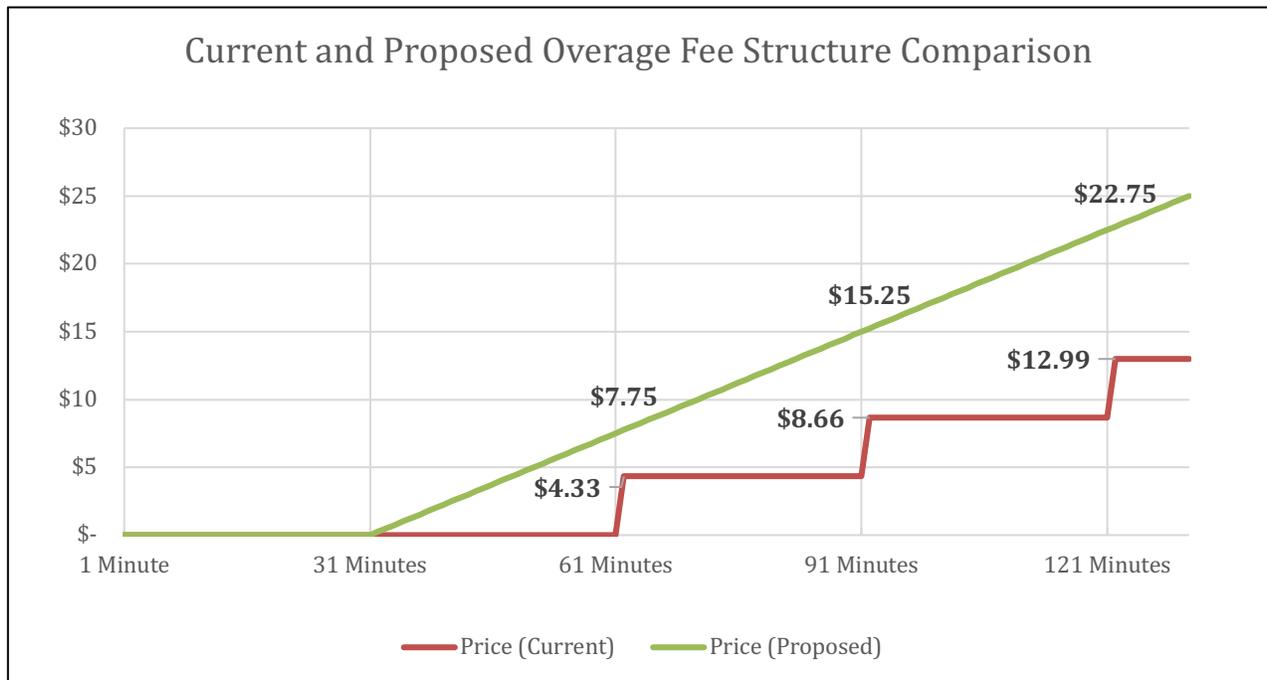


Figure 4: Current and Proposed Overage Fee Structure Comparison

Pricing Research and Peer Review

In 2024, CapMetro conducted a study of peer cities with bike sharing programs to understand existing fare structures. The study recommended changes to the included ride time, usage fees, the overage fee structure, and overall prices, which were considered when crafting the proposed adjustments.

Figure 5 compares the current and proposed fares against the prices of three out of the fifteen peer cities chosen in the study. These three are selected to illustrate cities of smaller (Las Vegas), similar (Pittsburgh), and larger (San Francisco) population size. All prices reflect the cost of renting an electric bike, and do not include taxes.

City	Single Ride	Daily Pass	Monthly Pass	Yearly Pass	Education Discount
Austin (Current)	\$1.09 + \$0.23/min	\$12.99 (60mins) + \$4.33 per 30min	\$11 (60mins) + \$4.33 per 30min	\$86.60 (60mins) + \$4.33 per 30min	\$12 (60mins) + \$4.33 per 30min
Austin (Proposed)	\$2.50 + \$0.25/min	\$10 (30mins) + \$0.25/min	\$25 (30mins) + \$0.25/min	\$150 (30mins) + \$0.25/min	50% off Yearly Pass
Las Vegas	N/A	\$5 (30mins, +\$1 e-bike fee) + \$4 per 30min	\$15 (60mins, +\$1 e-bike fee) + \$4 per 60min	\$125 (60mins, +\$1 e-bike fee) + \$4 per 60min	N/A
Pittsburgh	\$6 per 30mins	N/A	\$30 (30mins) + \$3 per 30min	\$150 (30mins) + \$3 per 30min	Free to UPitt students & staff
San Francisco	\$3.99 + \$0.30/min	\$15 + \$0.30/min	\$29, 45mins of \$0.15/min	\$150, 45mins of \$0.15/min	N/A

Figure 5: Peer City Comparison

To demonstrate the value that CapMetro Bikeshare provides for our customers in comparison to peer cities, Figure 6 outlines the costs for various rider scenarios calculated on the best possible pricing, assuming customers use the most economic option for their needs. Cells are shaded in Figure 6 by cost – lower prices are light blue in color and higher prices are dark blue. All prices reflect the cost of renting an electric bike, and do not include taxes.

Scenario	Austin (Current)	Austin (Proposed)	Lime's Electric Bikes*	Las Vegas	Pittsburgh	San Francisco
One (1) 45-minute ride	\$11.00	\$13.75	\$15.99	\$10.00	\$12.00	\$17.49
Two (2) 30-minute rides in one day	\$11.00	\$10.00	\$16.99	\$7.00	\$12.00	\$33.00
Two (2) 45-minute rides in one day	\$11.00	\$17.50	\$31.98	\$15.00	\$24.00	\$27.00
Five (5) 30-minute rides over a month	\$11.00	\$25.00	\$40.99	\$20.00	\$30.00	\$51.50
Seventy-five (75) 30-minute rides over a year	\$86.60	\$150.00	\$477.20	\$200.00	\$150.00	\$487.50

Figure 6: Rider Scenario Comparison

* Rental rates for Lime's electric bike sharing program vary across the U.S. These prices are calculated using Lime's current pricing structure for the Austin area – an unlock fee of \$1.00 and a charge per minute of \$0.54 – while taking advantage of LimePass discounted minute bundles and/or free unlocks using the LimePrime monthly subscription.

Overall, Austin currently offers some of the lowest fares for e-bike-sharing programs in the country. The proposed adjustments are easy to remember, align CapMetro's pricing with similar programs and support the needs of the updated system. Currently fare revenue covers a portion of the operating expenses for the program, however assuming similar ridership levels, the proposed fare adjustments will generate additional revenue to help sustainably maintain the system and ensure reliable service for both current and future customers.

Community Engagement & Public Involvement Efforts

The proposed Bikeshare fare adjustment process includes a public involvement plan to notify key stakeholders and communities, and to solicit input from advisory committees, customers, and students of higher education, among others. Engagement will occur in Spring 2025 and include a Public Hearing in April 2025 prior to Board action on the proposed changes.

Upon approval by the CapMetro Board, the fare change would go into effect on August 1, 2025, in anticipation of the return of students to local universities, given that students are the largest customer base for the system.

Should Board Members have any questions regarding the proposed changes, they should contact Ed.Easton@capmetro.org.