



**Town of Arlington  
Legal Department**

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To: Select Board

Cc: Adam Chapdelaine, Town Manager  
Jennifer Raitt, Director of Planning and Community Development  
Dan Amstutz, Senior Transportation Planner

Date: July 16, 2020

**Re: Contract with Motivate Massachusetts, LLC, aka “Bluebikes” for Bike Share  
Service & License to Operate Town-Owned Share System**

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Members of the Board,

Before you for your discussion, endorsement, and approval is a contract that affords an exclusive bike share operator license to Motivate Massachusetts LLC (a subdivision of Lyft), commonly known in the Boston Metro Area as “Bluebikes.” Permit me to emphasize at the outset, that the proposed contract and related license is to operate a *Town-owned fixed-station* (or “docked”) bike share system as a participating member of the Boston Area Regional Bike Share Governance Council, which includes other pre-existing Bluebike municipalities – Boston, Cambridge, Somerville, Everett, and Brookline, and new Bluebike municipalities including Arlington. Both the legal posture and the nature of the fixed-station system are significantly different from the Dockless Bike Share Pilot Program implemented previously in Arlington, and therefore requires a distinct approach.

Given that the Town Manager is the contracting authority and the Board is the licensing authority for use of public and private ways, if the Board is inclined to approve of bringing Bluebikes to Arlington, I recommend the following vote for reasons set forth in further detail below:

*Moved, that the Arlington Select Board endorses the execution of a Bike Share Agreement between the Town of Arlington and Motivate Massachusetts LLC, by the Town Manager; and further grants an exclusive license to Motivate Massachusetts to operate a bike share system within the Town of Arlington as part of the Bluebike Regional network for a term of up to two years from the date of system launch with an option to renew the license consistent with the terms of the Bike Share Agreement.*

### **Brief History of “Bluebikes” in the Boston Metro Area**

Bluebikes (then known as “Hubway”) were first launched in 2011 in the City of Boston as a system of approximately 600 bicycles which could be utilized and returned to any of 61 bike stations or “docks” throughout the City. By 2012, Brookline, Cambridge and Somerville “joined” the system with additional docks added throughout each of those communities alongside expansion of docks in Boston. The City of Everett joined the Bluebike network in 2019, making for a total network of 325 stations and over 3,500 bikes.

Unlike the Town’s prior experience with dockless bike share, bikes and docks are owned by network member municipalities and serviced by Motivate in exchange for the license to operate the system, charge riders for system use, and obtain certain other revenues.<sup>1</sup> Motivate meanwhile maintains and rebalances the bikes at little cost to member municipalities.

### **Bike Share in Arlington & Bluebikes Expansion to New Members**

Both the Board and the Public may recall the Dockless Bike Share Pilot Program and related regulations and rules developed for LimeBike (and Spin, though they never operated Arlington) following a Metropolitan Area Planning Council (MAPC) led RFP process for bikeshare in fourteen (14) participating communities in the Commonwealth. Under that RFP and license agreement, the Town did not own the bikes or any other facet of the system. Moreover, the RFP and contract left open many of the rules and terms of operation because by its nature, interoperability of dockless bikes presented different challenges. Further, shortly after the Pilot was completed, Limebike, Spin, and upon information and belief, all the other dockless bike providers essentially shut down their bike share operations.

Meanwhile, the dock-based Bluebikes system historically posed expenses not presented by dockless models. However, after significant preliminary discussion with neighboring communities and the MAPC, Bluebikes expressed willingness to re-engage non-member communities through the most recent MAPC RFP previously primarily aimed towards Bluebikes member municipalities, though also open to new members like Arlington. Moreover,

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<sup>1</sup> Pre-existing members have varying degrees of “sponsorship” (advertising revenue) rights in part because they paid significant up-front capital costs for the system – including the Agreement with Blue Cross/Blue Shield of Massachusetts that affords Bluebikes their name. Under the RFP and contract with new member communities, such rights are reserved exclusively for Motivate Massachusetts.

MetroFuture, Inc., MassDOT, and Town Meeting have all given, granted, or appropriated funds to help meet the Bluebikes substantial start-up costs for Arlington.

First, Arlington (alongside a number of other pending new member communities) was awarded \$80,000 via MassDOT grant, paired with a \$20,000 matching appropriation from the 2020 Arlington Annual Town Meeting, to meet the contract start-up costs of \$100,000 for installing and servicing six (6) Bluebikes stations (each equipped with eleven (11) docks for bikes) and thirty-eight (38) compatible bicycles in Town. Second, should you authorize a license and endorse the contract before you, MetroFuture Inc. will gift the title to the six (6) bike stations themselves to the Town.<sup>2</sup> Thus, in total, though Motivate values station, startup, and initial service costs in Arlington at \$224,257.60, only \$20,000 of which is being paid by the Town.

### **Operating Contract Terms & License**

Unlike the contracts and license rules and regulations developed relative to Limebike, new member community contracts require interoperability and consistent substantive terms with both new and existing member communities, as well as the RFP. Hence, new member community agreements have significantly less latitude in negotiating terms and have to make sure such terms are consistent with each other and compatible with existing-member agreements and third-party agreements such as the Blue Cross/Blue Shield Sponsorship Agreement.

That stated, most of the items of concern to the Board previously codified in the pilot regulations are consistent with the contract provided for your reference. For example, your data sharing and privacy regulations for the Pilot were informed by Bluebike member contract provisions with the City of Boston. As such, Section 3.8 of the contract with Arlington states, “Motivate will adhere to the same data privacy practices for the Arlington System as it does for the Bluebikes system in the City of Boston.” A copy of Motivate’s relevant contract with Boston, including section 9 “Confidentiality, Data Ownership, and Proprietary Rights” is also provided for your reference, which details Motivate’s obligations to utilize user data only for bike share and related services, audit rights of the Town, and Motivate’s duty to comply with Massachusetts and Federal data privacy laws.

Similarly, the terms of the proposed contract outline Motivate’s insurance and indemnification terms consistent with the Town’s expectations and needs previously articulated in your regulations (Sections 7 & 8 of the Town-Motivate contract).

There are some topics of your prior regulations that are not covered by the contract. It is however important to emphasize both the need for consistency across the system and the premium at which Arlington is acquiring an interest in same. The Boston Area Regional Bike Share Governance Council would likely issue directives for all member communities on basic issues of bike share operation, where the Town will have the opportunity to voice its perspective as a member.

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<sup>2</sup> Should the Board grant a license and endorse execution of the contract, you will need to separately approve receipt of the donation of the stations themselves at a future meeting.

## **Bluebike Station Siting**

Finally, should the Board grant the requested license, the Department of Planning and Community Development will guide a public process in consultation with Motivate regarding siting of the six (6) docking stations. After such process, the site plan will be submitted to you for your approval by your August meeting before installations are made or the bike share system is launched in Arlington. We estimate that the timeline for installation will occur before Labor Day.

In sum, if the Board is inclined to enter into an agreement with Motivate on the terms set forth in the contract and described generally herein, I recommend the following motion:

*Moved, that the Arlington Select Board endorses the execution of a Bike Share Agreement between the Town of Arlington and Motivate Massachusetts LLC, by the Town Manager; and further grants an exclusive license to Motivate Massachusetts to operate a bike share system within the Town of Arlington as part of the Bluebike Regional network for a term of up to two years from the date of system launch with an option to renew the license consistent with the terms of the Bike Share Agreement.*

To my understanding, a representative or representatives of Motivate/Lyft will be present to answer questions to the Board may have about the Bluebikes system itself. However, I will also be available to answer any questions the Board has regarding the proposed Bike Share Agreement.