Executive Summary

The City of Fort Collins engaged Toole Design Group to prepare a business plan for the possible implementation of a bike share system in Fort Collins, Colorado. The business plan follows over twenty years of bike lending programs in the City and several recent studies that explored the feasibility of introducing an automated bike share system to the existing bike lending offerings.

The existing bike lending program is the Fort Collins Bike Library, which was established in 2008 and has recorded almost 20,000 bicycle checkouts by over 15,000 riders since it started. It has over 200 bikes, is headquartered at the Downtown Transit Center and is well-supported, particularly by visitors. Patrons of the Bike Library enjoy the personal interaction, low cost, and variety of bicycles available, and the program acts as a face for bicycling and visitor services in Fort Collins. In recent years the City, which manages the program, has looked at how it could expand the services of the Bike Library to include new locations, a larger fleet of bikes and upgraded services. The City also evaluated the potential to integrate the program with an automated bike share system.

The business plan includes a description of the business case for an automated bike share system and the risks that will need to be addressed, identifies an appropriate scale and phasing for the program, recommends an operating model that fits the characteristics of the community, presents a financial pro-forma and funding plan, and provides an implementation blueprint for the City and its partner agencies to move towards launch of a bike share system in Fort Collins.

The Business Plan was informed by public and stakeholder outreach that included two public meetings, an online map that allowed members of the public to suggest station locations, and workshops with stakeholder groups representing transportation, economic development, health, and other interests in the community. The Plan was guided by a Technical Advisory Committee (TAC) that met three times during the project and that will continue to meet to advance the recommendations of the Plan. Overall, public and stakeholder response was positive to an automated bike share system in Fort Collins and their input was used to guide decisions about the program.

Business Case

An automated bike share system would help the City advance towards its goal of Diamond level Bicycle Friendly Community status with the League of American Bicyclists, introduce new riders to the benefits of bicycling, and promote Fort Collins to potential employers, residents, and visitors. It would augment existing services provided by the Fort Collins Bike Library and the two services together would offer a comprehensive set of options, filling an existing gap in the “bike rental / bike loan” market.

Other mid-sized cities in the United States have invested in bike share. Their experience shows that there is no single way to form, implement, or operate a bike share system. Cities build on the momentum created by those championing the idea, but political and staff support from city government is needed to formalize the concept and to provide credibility to the fundraising effort.

There are a number of risks that need to be addressed by the program. These include understanding that ongoing funding is required to maintain operations - most bike share systems are not financially

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self-sustaining from membership and usage fees alone. The automated bike share program needs to be clearly established as an expansion and complement to the Bike Library and not a replacement of that service. In this way, it is recommended that the two programs be combined into a single operating contract for an expanded Fort Collins Bike Library.

**Potential Bike Share System**

Discussions with local stakeholders and the public led to the creation of a set of goals for a bike share system in Fort Collins. Serving as an east-west connector for MAX transit, maintaining high financial performance and sustainability, and providing access for economically disadvantaged populations were identified as high priorities. With these considerations in mind, a “heat mapping” exercise was conducted to identify areas with the highest potential demand and with concentrations of underserved populations. From this analysis and the input received from the public, it was determined that an initial bike share system of approximately 20 stations should serve Downtown, Old Town, the CSU campus and the Elizabeth, Plum, and Lincoln corridors.

A proposed first phase could include stations located at:

<table>
<thead>
<tr>
<th>Downtown / Old Town / Breweries</th>
<th>CSU and Surrounding Areas</th>
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<tbody>
<tr>
<td>• Downtown Transit Center</td>
<td>• Laurel MAX Station</td>
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<tr>
<td>• Library</td>
<td>• University MAX Station</td>
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<tr>
<td>• Discovery Museum</td>
<td>• CSU Transit Center</td>
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<tr>
<td>• Old Town Square</td>
<td>• South Campus</td>
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<tr>
<td>• Mountain MAX Station</td>
<td>• Moby Center</td>
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<td>• Lincoln Center</td>
<td>• CSU Veterinary Hospital</td>
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<tr>
<td>• Olive &amp; College</td>
<td>• The Gardens on Spring Creek</td>
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<tr>
<td>• New Belgium Brewing</td>
<td>• Campus West</td>
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<td>• Odell Brewing</td>
<td>• West Elizabeth</td>
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<tr>
<td>• North College</td>
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<tr>
<td>• Poudre Valley Hospital</td>
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Business Model

A number of business models were considered for an enhanced Bike Library. However, a City-owned and managed system with a non-profit or private sector operator is recommended in Fort Collins. This is similar to how the City manages the existing Bike Library and would maximize funding flexibility, while providing full control over the operation and direction of the program. New City staff capacity would be needed to manage the system, particularly during the busy period leading up to launch.

Funding Plan

Information from over a dozen cities operating established automated bike share programs was used to predict membership and ridership in Fort Collins. Based on this analysis, the program could expect approximately 1,000 annual members and 8,000 casual subscribers per year. Ridership is expected to be approximately 38,000 trips per year and the system is expected to recoup approximately $1.1 million (42% of its operating cost) from membership and usage fees over the first five years of operation.

A 20-station (Phase 1) system will require approximately $1.1 million for capital and installation, system start-up, and pre-launch administrative costs. Operating costs are expected to be in the order of $2.6 million for the first five years of operations.

There are two possible funding tracks. The quickest, is to secure capital through local public funding – FC Moves has submitted a Budgeting for Outcomes (BFO) proposal to the City for capital funding of $290,000 - and through direct contributions from CSU and other interested organizations and businesses. FC Moves has also submitted a BFO proposal to the City for approximately $450,000 towards operation of the Bike Library and automated bike share system in 2015/2016. If this is approved, and renewed at slightly lower levels beyond 2016, it will leave approximately $300,000 or $60,000 per year to be raised by sponsorship of any remaining stations and potentially from an increase in the ASCSU student fees.

The longer-term funding track involves obtaining federal or state grant money, along with local matching funds, to use towards capital. Grants can take up to two years for the money to become available, pushing the possible launch date into at least 2016. Under this scenario, all other fundraising would go towards operations including user revenues, CSU funding sources, and sponsorship of the bikes and stations.

The base cost estimate assumes a smart dock system. The funding need could be reduced by considering different vendors and technologies. Smart bikes may offer cost advantages (they typically cost less per bike than smart dock systems) and offer the
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flexibility of being able to lock to standard bike racks, which can be arranged to replicate stations. However, these technologies have not been implemented on a large scale and may cost more to operate than smart dock technology. Other cost savings could come through operations, e.g., reducing the monthly operating cost by making use of existing staff, services, and facilities in the City, and by placing an emphasis on annual and casual membership recruitment.

Implementation

The City of Fort Collins currently prohibits advertising in the public right-of-way. Further, the City’s sign code limits what can be displayed on off-premise signage. Further follow-up with the City’s legal department is necessary to better understand these policies and to develop a course of action to allow advertising and sponsorship.

Implementation of an automated bike share system is a detailed process that will require dedicated staff to handle procurement, funding, branding and marketing, site planning and permitting, deployment, operations, and launch. Funding is likely to be the critical path with the timeliness of capital funding largely unknown and sponsorship being required and often pieced together from multiple contracts with participating organizations.

Next Steps

Near-term action items include:

1. Work with potential funding and fundraising partners (e.g., CSU, Kaiser Permanente).
2. Conduct preliminary work on station siting.
3. Follow up on advertising regulations and sign code to develop a course of action to allow advertising and sponsorship on the bikes and at the stations.
4. Advocate for funding through the BFO process.
5. Integrate bike share into the 2014 Bicycle Master Plan, including policy and infrastructure recommendations, as well as ongoing outreach.
6. Monitor and pursue grant opportunities.
7. Begin scoping for a Request for Proposals (RFP).