Denver Bike Sharing 501(c)(3)
Owner / Operator of Denver B-cycle

Rail~Volution
October 16, 2012
Los Angeles, California

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Denver by the Numbers

- Total Population – 619,000
- Downtown Population – 110,000
- Tourism – 11 million visitors/year
- Bike Infrastructure
  - 76 miles of bike lanes
  - 30 miles of sharrows
  - 82 miles of paved trails
  - 2.4% bicycle commuter mode share
NO ONE SIZE FITS ALL
Denver’s Path

Democratic National Convention

August 2008
Green Host Committee Offers 1K Free Bikes

October 2008
Greenprint Denver Creates Denver Bike Initiative

January 2009
DNC Host Committee Donates $1M For Bike Sharing

December 2009
DBS designated as 501(c)(3)

October 2009
DBS Signs Contract With B-cycle LLC

March 2009
DBS Files For 501(c)(3) With IRS

January 2010
Administrative & Operations Staff Hired

March 2010
DBS Moves Into Permanent Space

April 22nd 2010
Earth Day Denver B-cycle System Launches!
Earth Day, 2010 – The Launch
What we had going for us . . .

- A Galvanizing Moment: 2008 Democratic National Convention
- Community: Empowered Public/Private Coalition
- Leadership: Mayor and City Council
- Start Up Funds: $1,000,000
- Eager partners: pro bono legal and business counsel; city agency staff
What we did not have

- An RFP
- A Business Plan
Denver Bike Sharing Present Day

- 53 bike sharing stations with 530 bikes.
53 Locations and Growing

Denver Bike Sharing Strategic Planning

Land Use
- Industrial
- Central Business District
- Business District
- Main Street
- Residential Mixed-Use
- Commercial Mixed Use
- High Density Office/Residential
- Transit Mixed-Use
- Residential: Low Density
- Residential: Medium Density
- Residential: High Density
- Special District
- Institutional

2012 and 2013 Denver B-cycle System Expansion
- Expansion Boundary
- Existing B-station Locations: 53
- Future Station Locations: 27 new B-stations to be installed in fall of 2012 or spring of 2013. Located in high density residential neighborhoods, business districts, and near bus and Light Rail along Colfax and Denver Union Station - ideally positioned for first and last-mile multimodal transportation trips, in conjunction with bus and Light Rail, or independently as emission free forms of transit. Funding secured through CDOT and FHWA as part of TCSP and FASTER grant award.
- SEP Funded Locations: 4 new B-stations located in medium density residential neighborhoods and small business districts.

Future Expansion
A complete bike sharing system will consist of 150 stations, 1250 B-cycles, be co-located with major transportation hubs, serve all income levels, target high-density residential locations and business districts, be clustered around the current core of stations, and strategically align with future Light Rail locations as appropriate.
Our Business Model

- Denver Bike Sharing, a 501(c)(3), owns and operates Denver B-Cycle

- Functions as an interesting hybrid – non-profit with assets that charges a fee for service

- **All** functions and employees are in house:
  - system design, station siting
  - customer service
  - business affairs
  - marketing
  - Development
  - Maintenance
  - Balancing
Our Financial Model

- Grants and One Time Contributions
- Membership Revenue
- Usage Revenue
- Sponsorship Revenue
- Capital Expenses
- Operation and G&A Expenses
- One Time Contributions
- Operation and G&A Expenses
Transportation Partners - Carshare

- 3 eGo Carshare bikes in our fleet
Results to Date – 2.7 Seasons
Comparing Member Types - 2011

2,675 - Annual Members
• % Memberships = 6%
• % Trips = 60%
• % Membership fees = 34%
• % Usage fees = 9.6%

41,966 - 24 Hour Members
• % Memberships = 93%
• % Trips = 39%
• % Membership fees = 65%
• % Usage fees = 87%
44.6% female (50.2%); 55.4% male (49.8%)

Age: median 36; mean 39.1; min. 18; max. 83 (33.6)

4.7% Hispanic (31.8%)

89.9% Caucasian (52.5%)

0.7% Black/African-American (9.4%)

2011 Member Survey: 1,130 responses
30.6% of annual members responded
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<tr>
<td>Calories burned</td>
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<tr>
<td>Body weight equivalent to estimated calories burned</td>
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<table>
<thead>
<tr>
<th>Economic &amp; Environmental</th>
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<tbody>
<tr>
<td>Gasoline not used</td>
<td>69,898 gal</td>
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<tr>
<td>Vehicle miles traveled avoidance</td>
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<td>Parking cost savings</td>
<td>$1,163,866</td>
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<td>CO$_2$e emissions avoided</td>
<td>1,343,974 lbs</td>
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<tr>
<td>NOx</td>
<td>14,478 lbs</td>
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<tr>
<td>VOCs avoided</td>
<td>26913 lbs</td>
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**All numbers are estimates based on data, survey results and formulas**
Lessons Learned – Getting Started

#1 → Full support of the city, from elected to staff

Broad based coalition → the foundation for success

Context is key – bike infrastructure and advocacy. Bike sharing can have positive effect on both and vice versa.

Devil is in the details. Everything takes longer.

Beg for and trade whatever you can.
Lessons Learned – The Business

- 501 (c)(3) works for Denver
- All functions under same roof
- In house customer service helpful
- Tech-savvy staff critical
- After hrs call center is part of team
- Insurance not a barrier. Loss is minimal
- Year 3 – more relocations; due to construction, business turnover
- To close or not to close during winter? Winter downtime has been helpful
Bike sharing is more about IT than bikes

Performance metrics for new technology still evolving

Completely modular, off grid stations a plus

No on street parking complicates life

Go big, early

Balancing – not a science YET - a combination of data and intuition staying watchful but being patient

Optimal ratio = 2 docks: 1 bike
Lessons Learned – Our Market

- Bi-modal membership base. Not an either/or – BOTH are necessary. Casual subsidizes Annual.

- Two part marketing strategy needed – casual and utilitarian

- Marketing strategy both social marketing (community organizing) to achieve behavior change and traditional marketing (getting the deal out - right price to the right people)

- Need to find middle ground in messaging between fun/hipster and being serious transportation

- Need to capture casual user information at kiosk

- Two part fee structure confuses people

- Achieving broad, diverse ridership is complicated
Challenges: Growing Pains

Then

Now

C.C. RES 15
RESOLUTION NO. CR12-0038
SERIES OF 2012

BY AUTHORITY
COMMITTEE OF REFERENCE:
Land Use, Transportation & Infrastructure

A RESOLUTION
Granting a revocable permit to Denver Bike Sharing to encroach into the right-of-way with a bicycle docking station at 899 Logan Street and 2095 Chestnut Place.

BE IT RESOLVED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:
Section 1. The City and County of Denver hereby grants to Denver Bike Sharing, a
Denver B-Cycle program faces criticism that it skirts poor, minorities

OPINION

Editorial: Putting those red bikes in every neighborhood

Denver’s B-Cycle program would like to expand into the city to understand the financial risks involved.

As problems go, being in demand is one that just about any brand-new non-profit venture would like to have.

But for B-Cycle, a Denver bicycle sharing program, it has become something of a political problem as some have leveled accusations the organization isn’t serving minority neighborhoods.
Challenges: Safety

ON A ROLL
Cycling is picking up speed in Denver — but so are concerns over bike safety.
BY SAM LEVIN
Other Challenges

- Refining the business model
- Funding for continued expansion
- Behavior change - bikes as serious transportation alternative