



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

DESIGNING CITIES

NACTO

October 24, 2012

New York City

Parry W. Burnap
Executive Director

parry.burnap@denverbikesharing.org

720-259-0136

Denver, Colorado, U.S



DENVER **B** *cycle*





Our Mission

Denver Bike Sharing serves as a catalyst for a fundamental transformation in thinking and behavior by operating a bike sharing system in Denver to enhance mobility while benefiting the environment, economic development, equity and health.





Brownstein | Hyatt
Farber | Schreck



elevatedthird



Arbys



Sprint



THE DENVER POST
denverpost.com



THE DENVER
FOUNDATION



Chipotle



ORANGE BARREL



xfinity



usbank



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
- A Sweet Map



Denver Bike Sharing Present Day



- 53 bike sharing stations with 530 bikes.



53 Locations Now; +30 Next Spring



Denver Bike Sharing Strategic Planning

Land Use

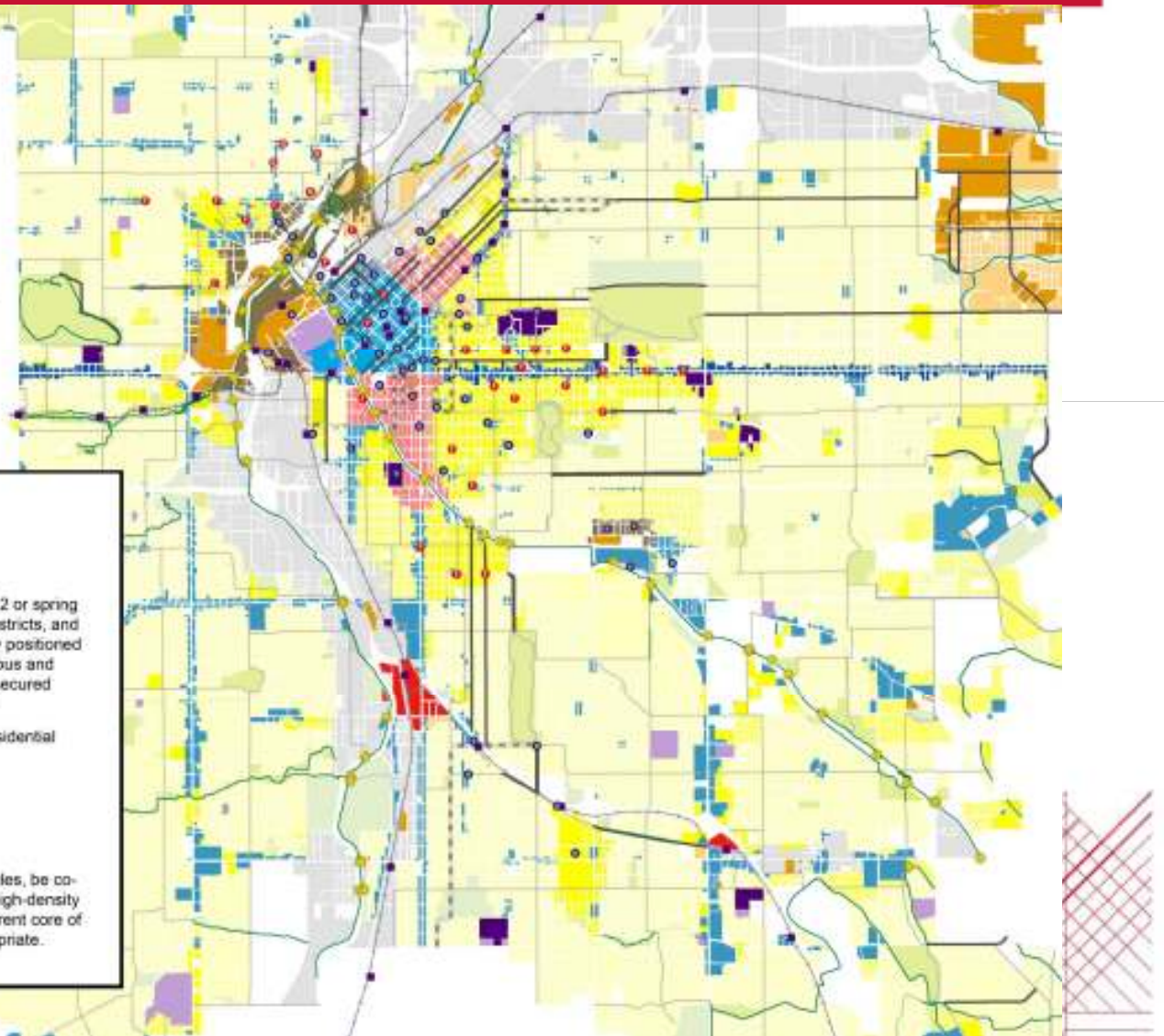
Industrial	Transit Mixed-Use
Central Business District	Residential: Low Density
Business District	Residential: Medium Density
Main Street	Residential: High Density
Residential Mixed-Use	Special District
Commercial Mixed-Use	Institutional
High Density Office/Residential	Hospital

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.



Expansion Planning



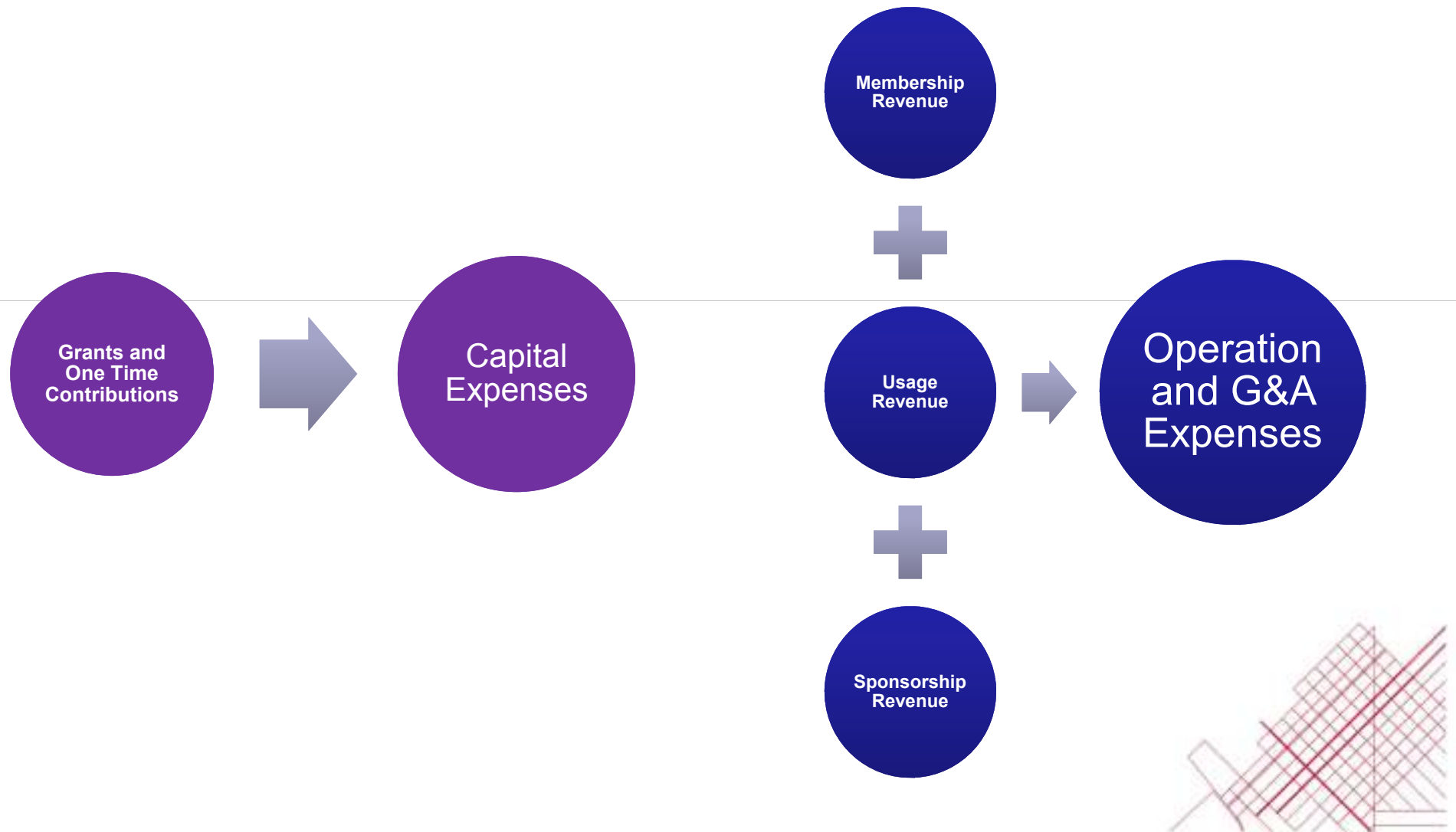
Our Business Model



- 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



Capital Funding Patterns



- ⑤ Start- Up
 - ⑤ Host committee, foundations, EECBG
- ⑤ Future expansion
 - ⑤ Incremental or “one off” growth
 - ⑤ 1+ financed by station sponsors
 - ⑤ Smaller programmatic grants
 - ⑤ Ongoing
 - ⑤ Major expansions
 - ⑤ Public transportation funds (?)
 - ⑤ Local match
 - ⑤ 2-3 year cycles



Funding for Operations & G & A



B Diverse funding

B +++ stable

B --- a lot of work

B Questions

B Is reliance on sponsorship sustainable?

B Will geographic expansion generate geometric growth in membership and usage revenue?

B How to budget & plan for bigger system in advance of any certainty?



Results, Lessons to Date





Our Rides: 477,117 since April 22, 2010

Health	
Calories burned	29,342,696 kcal
Body weight equivalent to estimated calories burned	8,384 lbs
Economic & Environmental	
Gasoline not used	69,898 gal
Gasoline cost savings	\$241,149
Vehicle miles traveled avoidance	1,387,020 miles
Parking cost savings	\$1,163,866
CO ₂ e emissions avoided	1,343,974 lbs
NOx	14,478 lbs
VOCs avoided	26913 lbs

*** All numbers are estimates based on data, survey results and formulas*

Our Demographic Profile (Denver)



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*

Typical
B-cycle
User





Bi-modal Membership 2011

2,675 - Annual Members

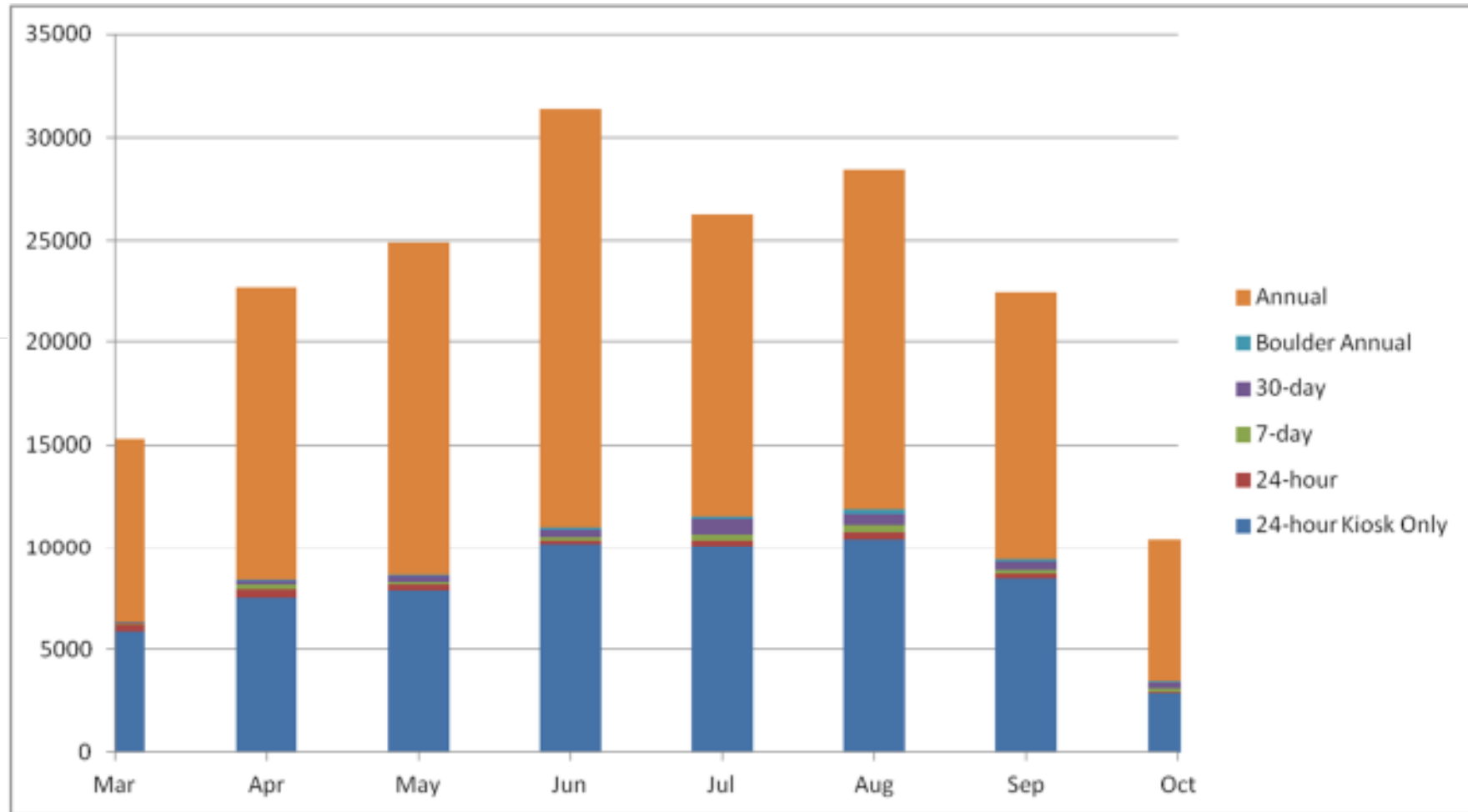
- % Memberships = 6%
- % Trips = 60%
- % Membership fees = 34%
- % Usage fees = 9.6%

41,966 - 24 Hour Members

- % Memberships = 93%
- % Trips = 39%
- % Membership fees = 65%
- % Usage fees = 87%

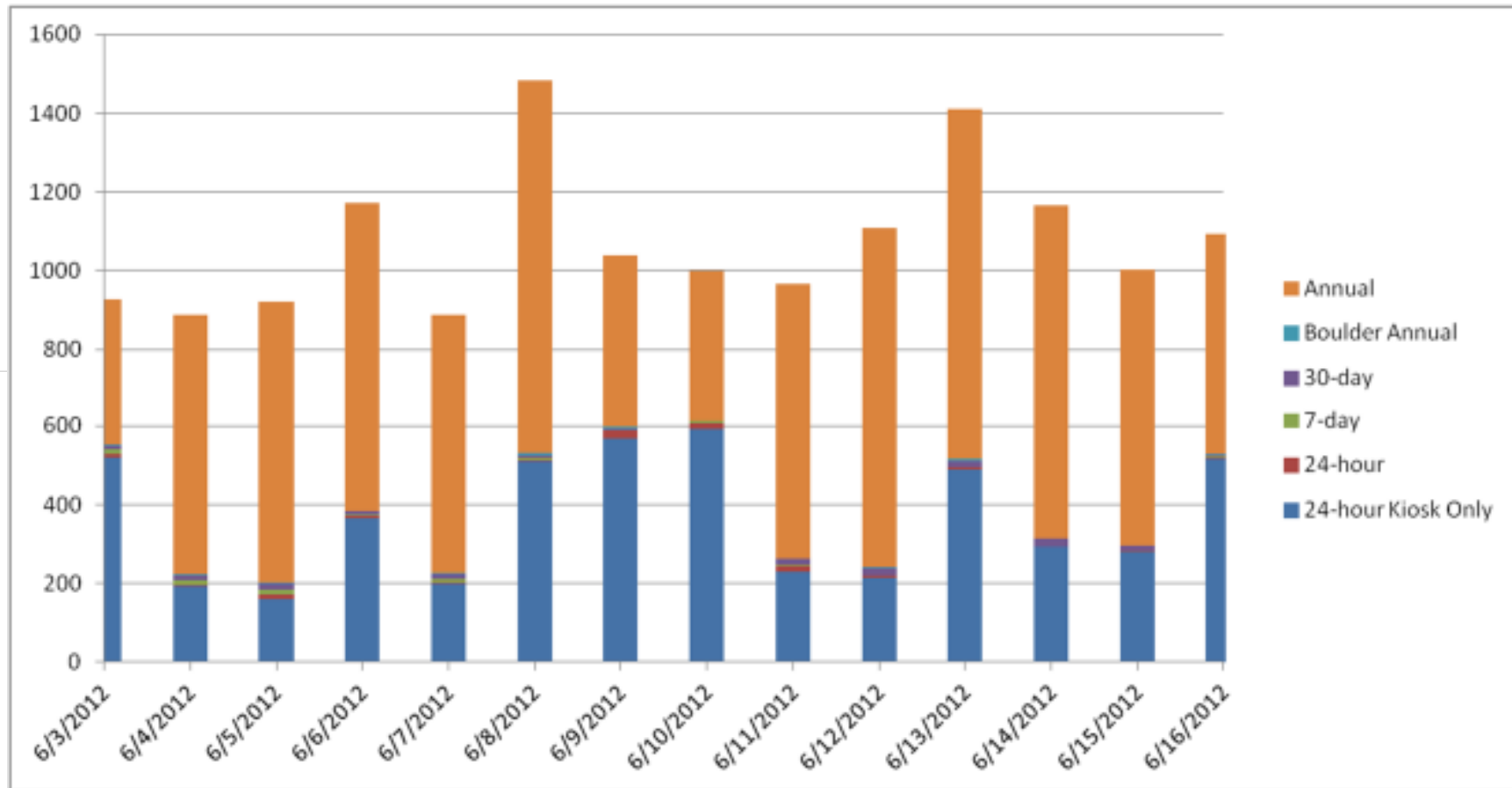


Checkouts by Month by Member Type



● Total Checkouts 3/12/12 through 10/18/12: **181,835**

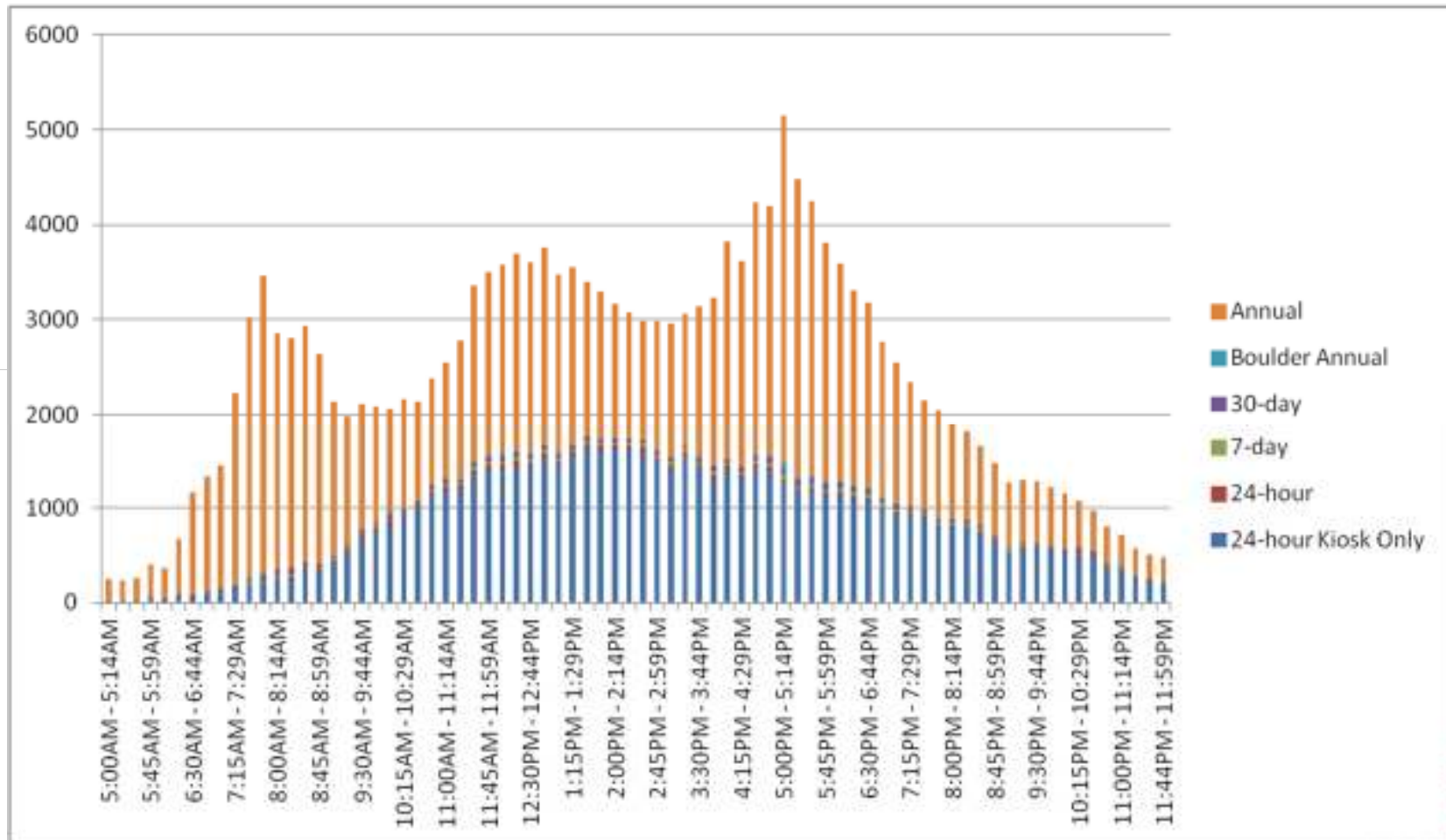
Checkouts by by Week by Member Type



- Annual Members ride more during weekdays.
- 24HR users ride more on weekends.

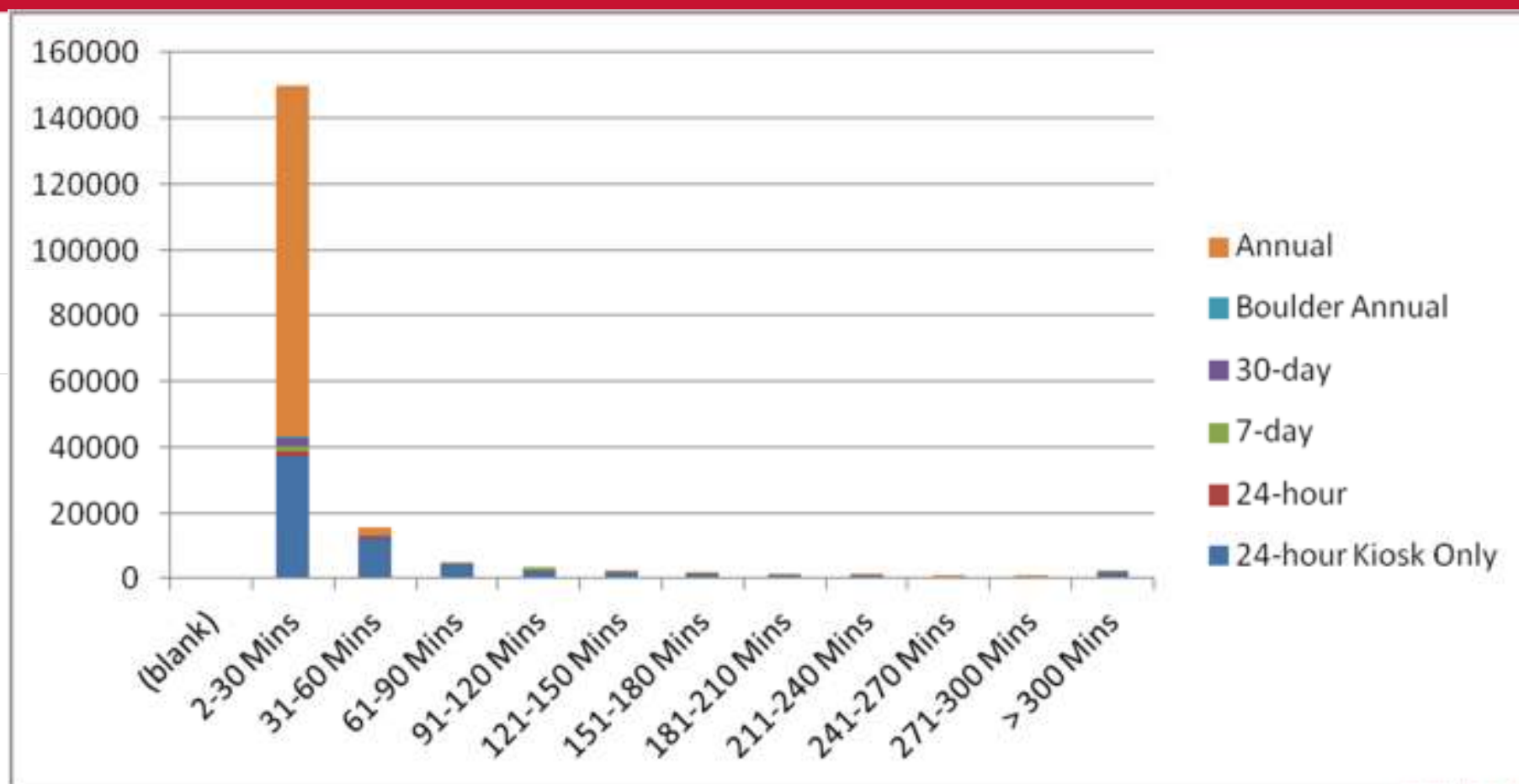


Checkouts by Member Type by Time of Day



Annual Member use peaks during commute times. 24HR Member use peaks at 2PM.

Trip Durations by Member Type



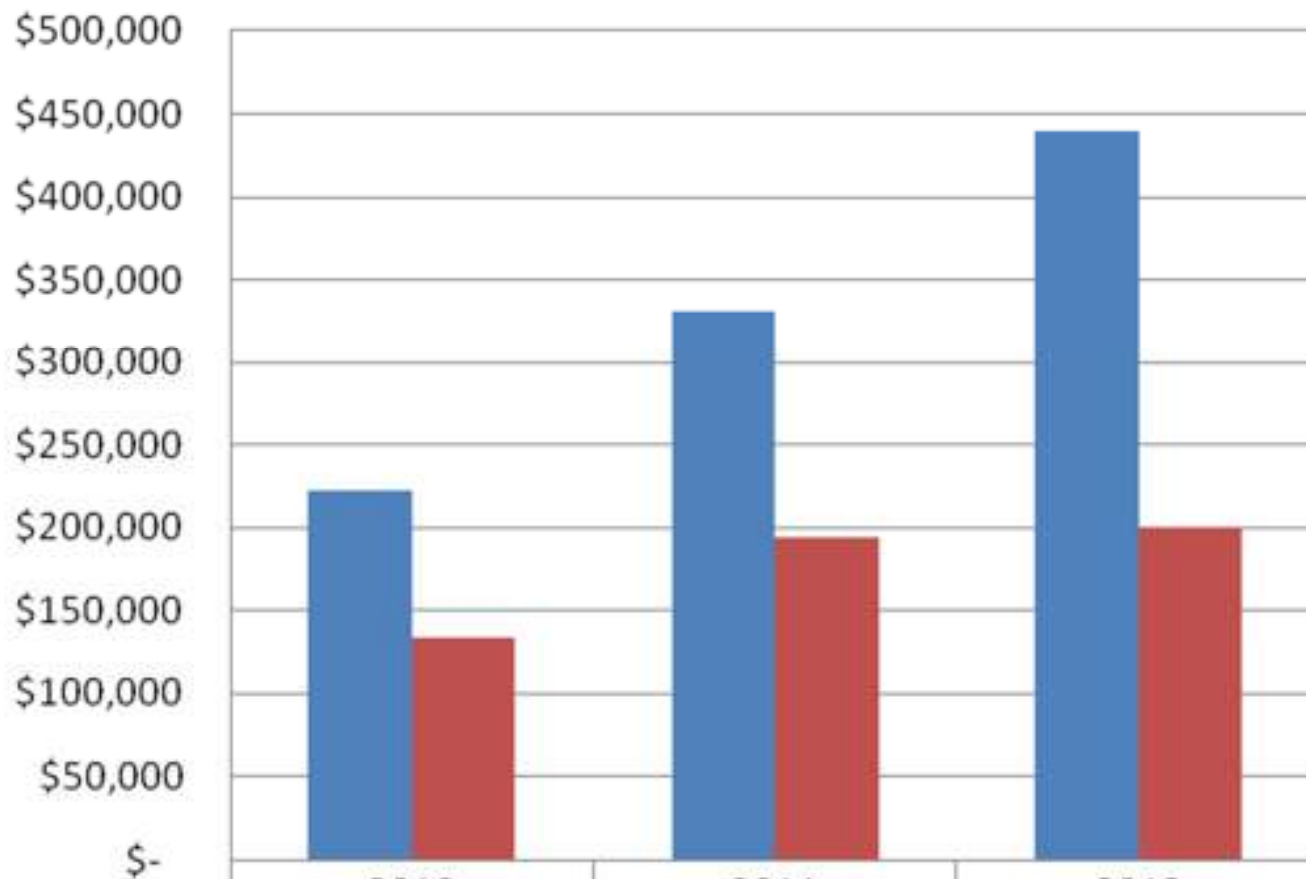
- 95% of Annual Member trips are less than 30 mins.
- 60% of 24HR user trips are less than 30 mins.
- 80% of 24HR user trips are less than 1 HR.



Membership and Usage Revenue YOY (Jan 1 - Oct. 14)



Membership and Usage Revenue



■ Membership Revenue

■ Usage Revenue

\$222,395

\$331,185

\$439,405

\$133,551

\$194,106

\$200,370



Lessons Learned – Getting Started

- ① #1 → Full support of the city, from elected to staff
- ② Broad based coalition → the foundation for success
- ③ Context is key –bike infrastructure and advocacy. Bike sharing can have positive effect on both and vice versa.
- ④ Devil is in the details. Everything takes longer.
- ⑤ 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





Lessons Learned – The System

- Ⓑ Bike sharing is more about IT than bikes
- Ⓑ Performance metrics for new technology still evolving
- Ⓑ Completely modular, off grid stations best
- Ⓑ 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





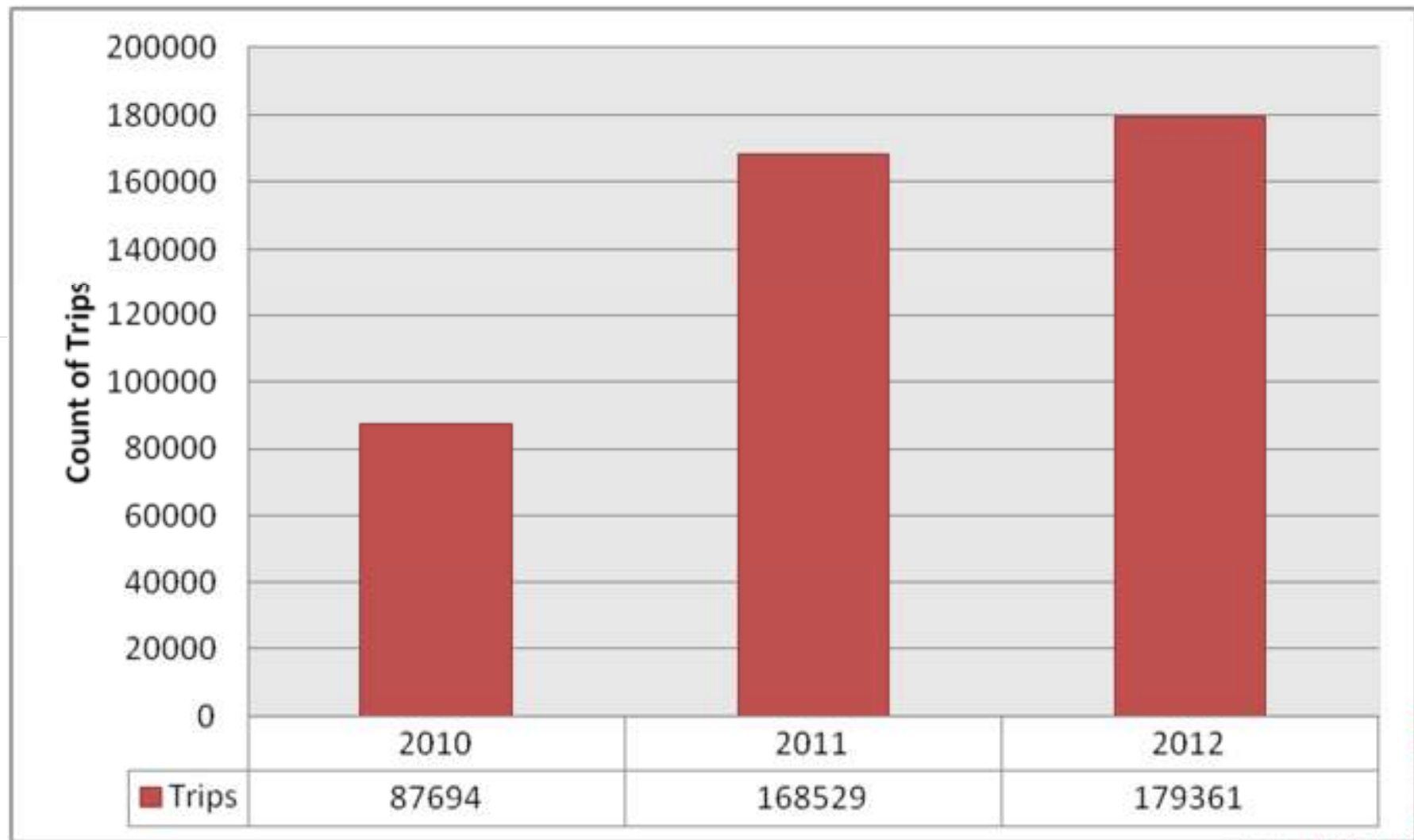
Lessons Learned – Our Market

- ⑥ Bi-modal membership base. Not an either/or – BOTH are necessary. Casual subsidizes Annual.
- ⑥ Two part marketing strategy needed – casual and utilitarian
- ⑥ Marketing strategy both social marketing (community organizing) to achieve behavior change and traditional marketing (getting the deal out- right price to the right people)
- ⑥ Need to find middle ground in messaging between fun/hipster and being serious transportation
- ⑥ Need to capture casual user information at kiosk
- ⑥ Two part fee structure confuses people
- ⑥ Achieving broad, diverse ridership is complicated



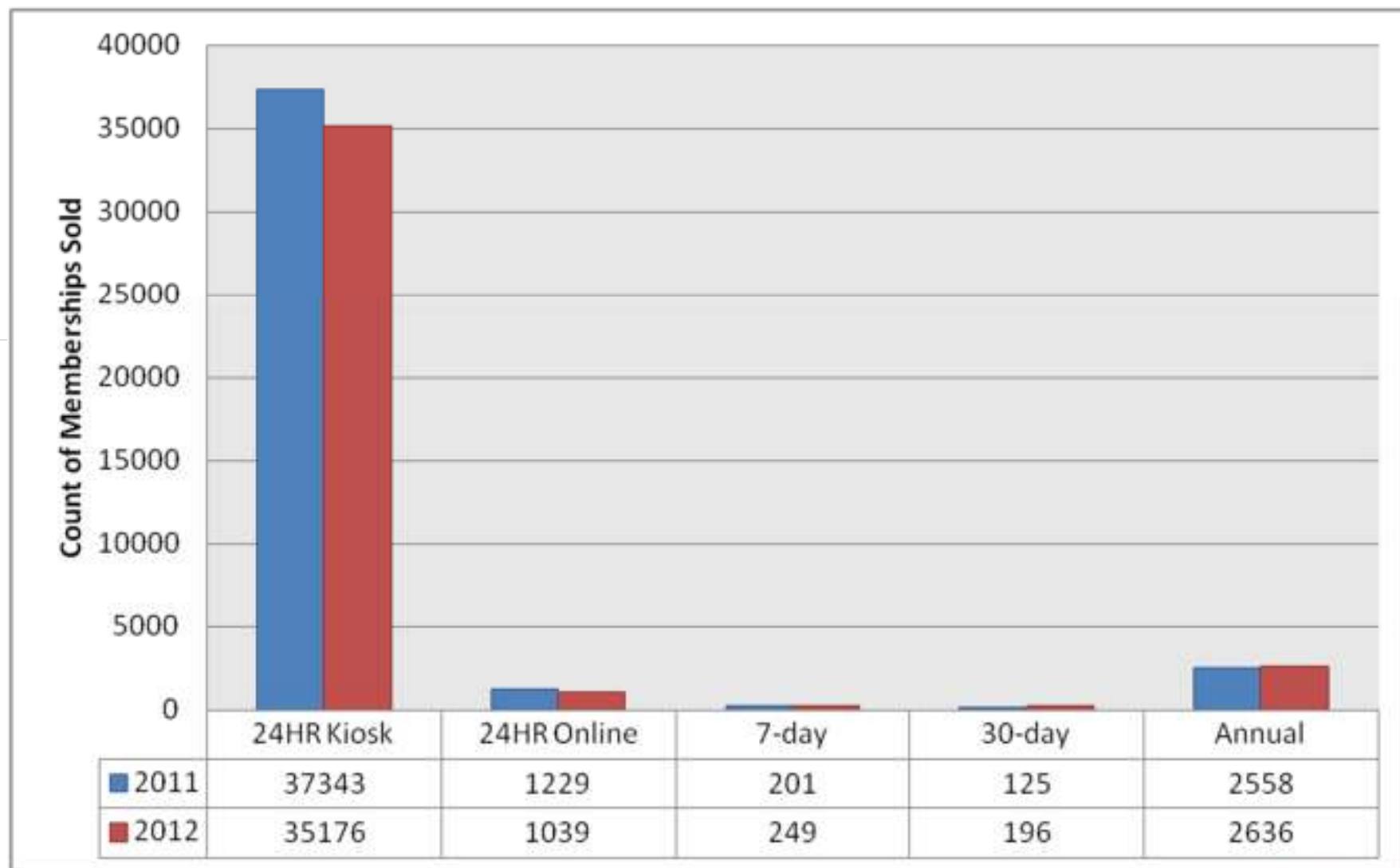
Challenge: Keeping Momentum

Trips YOY – Opening Day - Oct. 14)



Challenge: Keeping Momentum

Memberships YOY - Jan 1 - Oct. 14



Challenges: Growing Pains



Then



Now



- 1 CC RES 15
2 RESOLUTION NO. CR12-0038
3 SERIES OF 2012
4
5
6 **BY AUTHORITY**
7 COMMITTEE OF REFERENCE:
8 Land Use, Transportation & Infrastructure
9
10 **A RESOLUTION**
11 Granting a revocable permit to Denver Bike Sharing to encroach into the right-of-
12 way with a bicycle docking station at 899 Logan Street and 2095 Chestnut Place.
13
14 **BE IT RESOLVED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**
15
16 **Section 1.** The City and County of Denver hereby grants to Denver Bike Sharing, a

Challenges: Inclusivity



denverpost.com

Denver B-Cycle program faces criticism that it skirts poor, minorities

Posted: 09/30/2012 12:01 AM

OPINION

Editorial: Putting those red bikes in every neighborhood

Denver's B-Cycle program would like to expand into the city's under-served areas, but it doesn't understand the financial risks involved.

By The Denver Post

POSTED: 10/07/2012 12:01:00 AM MDT

UPDATED: 10/07/2012 12:22:14 AM MDT

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



October 11-17, 2012

