



# Proposed Eight-Station Bike Share System

City Council Agenda Item #12-A

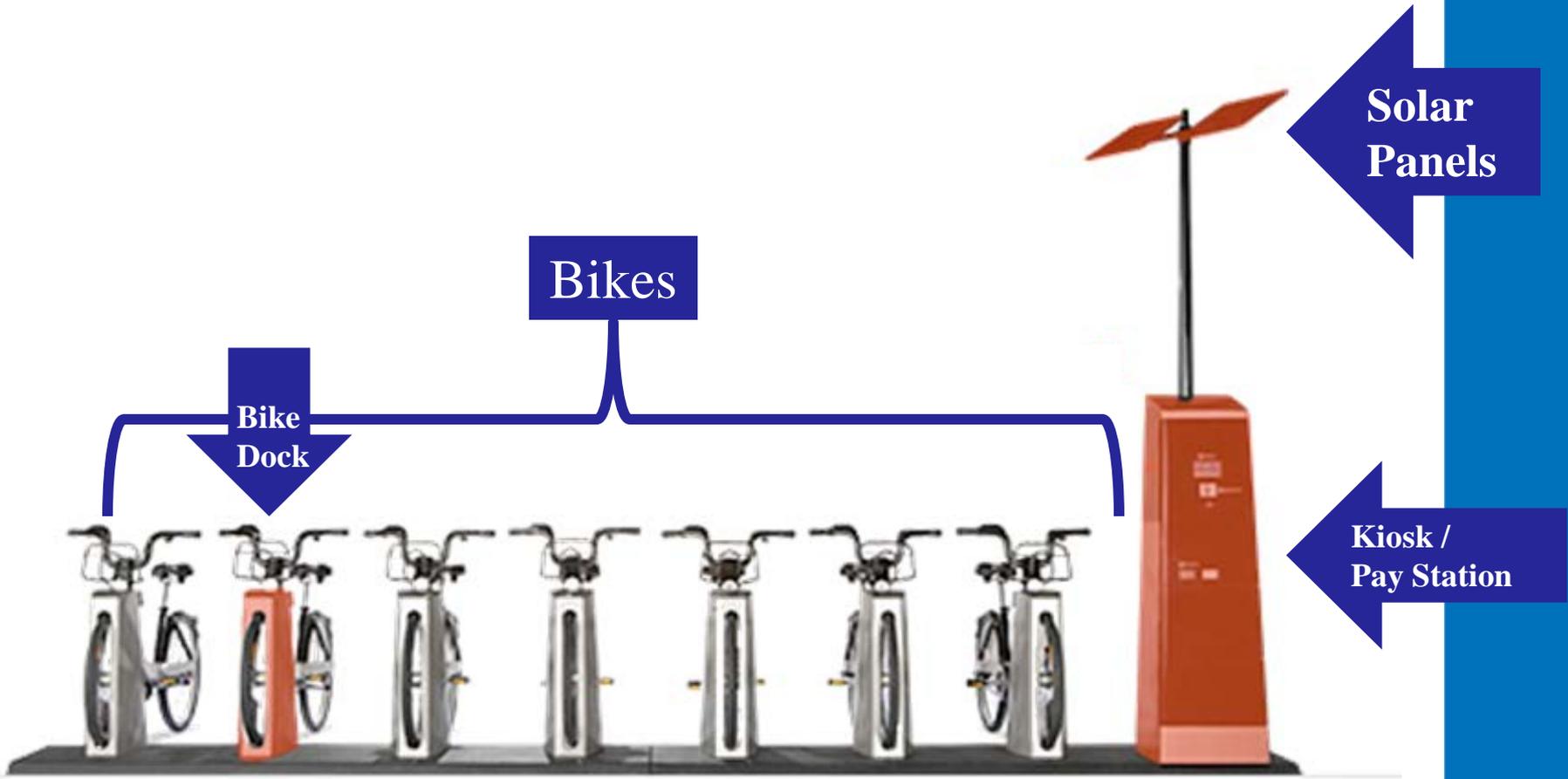
**Marty Howell, P.E.**  
**Chief Sustainability Officer**  
**October 29, 2013**

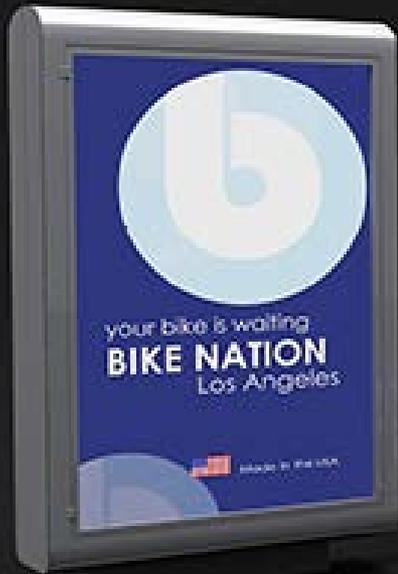


Figure 19: Deco Bike  
Credit: Deco Bike (Miami Beach, FL)



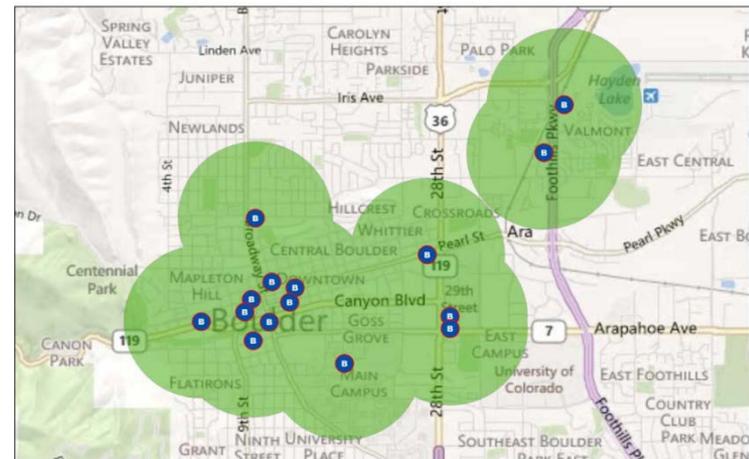
# Station Components



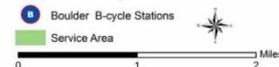


# Number of Stations

- Networks range from:
  - **7 stations** in smaller cities like Oklahoma City to
  - **300 stations** in New York City.



**Boulder B-cycle Service Area**



February 1, 2012  
Projection: NAD 1983 StatePlane Colorado North (FIPS0501Feet)



# Keys for Success

## 1) Robust network

- At least 7 stations; Good connectivity and in community-desired locations (locations based on community survey of over 400 people, and input from Planning, Engineering, DMD and UTEP)
- Having a well established network will encourage more partners, more riders, more VMT reductions, and more stations in the future

## 2) Partner with an established, organized, capable operator with good relationships with business owners and community groups

- Easier to obtain and maintain partnerships and sponsorships

## 3) Good O&M Revenue system

- Reasonable pricing, aggressive marketing campaign, incentives and other promotions, outreach to entire community, instructional videos

## 4) Good bike culture

- Growing exponentially in El Paso. More and more bike rides downtown; we now have 7 League Certified Instructors in El Paso, and at least four community groups dedicated to promoting cycling



# Staff Recommendation

- \$400,000 for 8 stations
  - 10 bikes / station = 80 bikes
- \$300,000 for two years of operation and maintenance



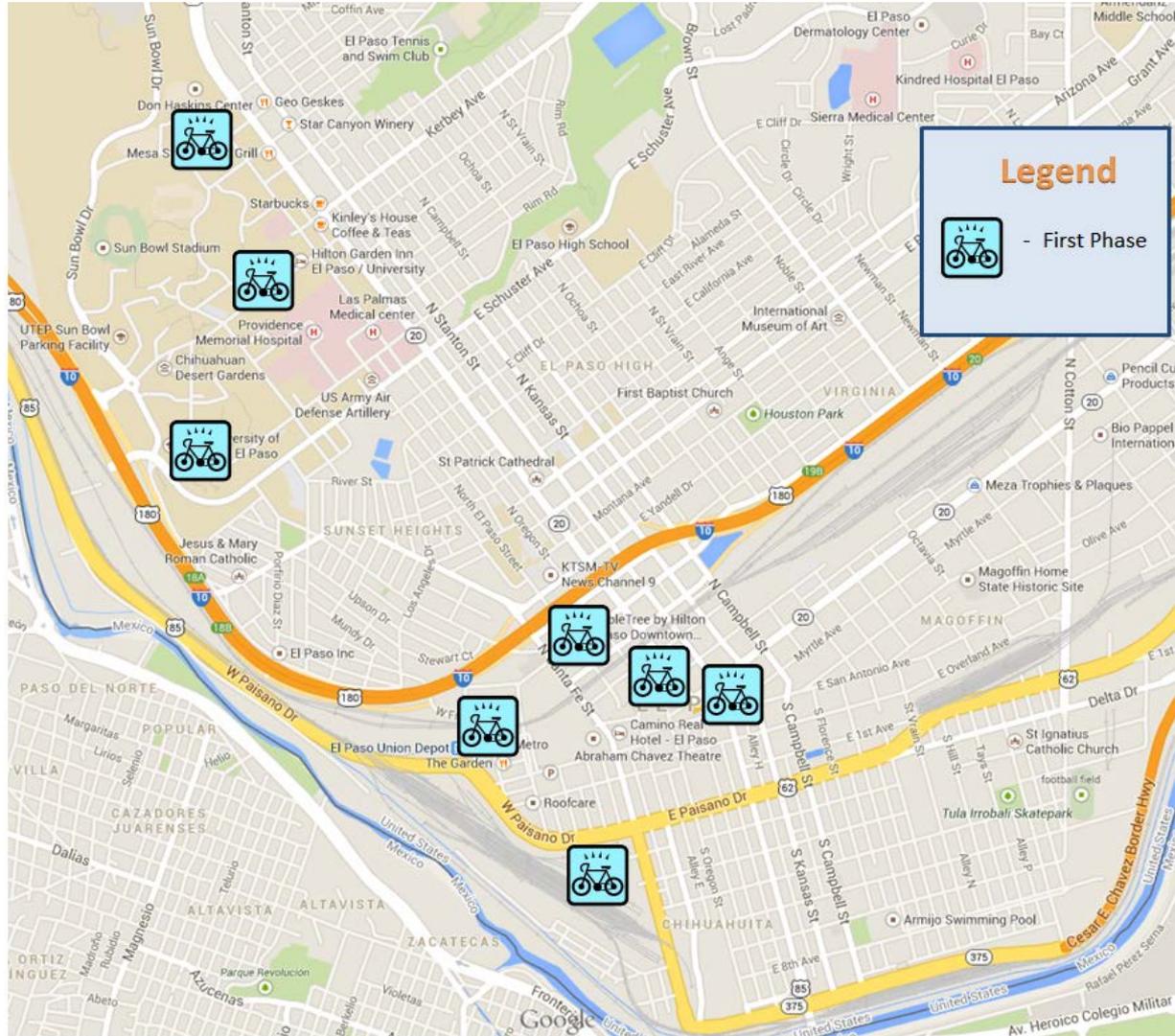
Figure 34: Denver B-cycle  
Credit: Denver B-cycle (Denver, CO)



# Proposed Locations for the First Phase

## First Phase

- Eight stations
  - Five downtown
  - Three at UTEP

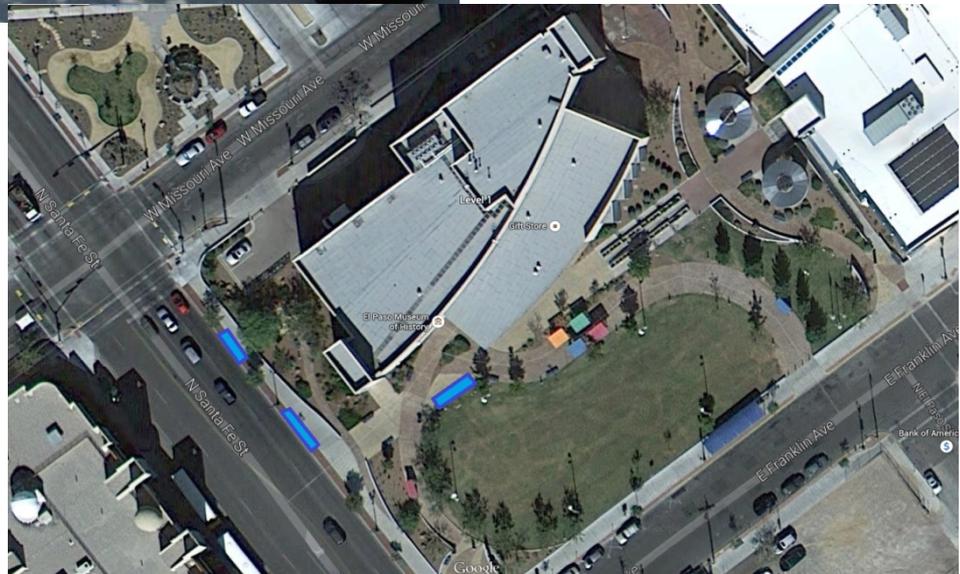
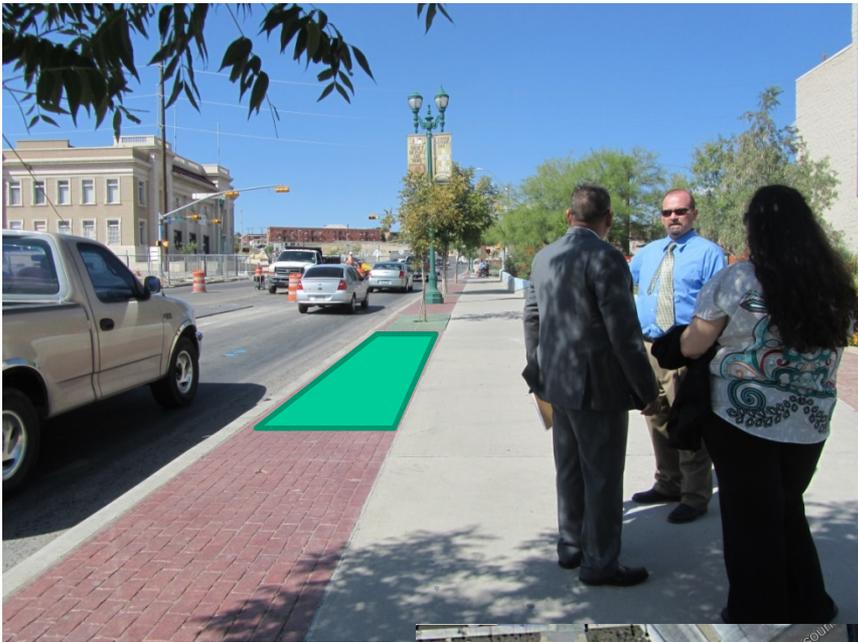






## First Phase

1. **Cleveland Square**
2. **San Jacinto Plaza**
3. **Union Plaza / Texas Tech School of Architecture / CVB**
4. **Calendar Park / County Area**
5. **Downtown Transfer Center**





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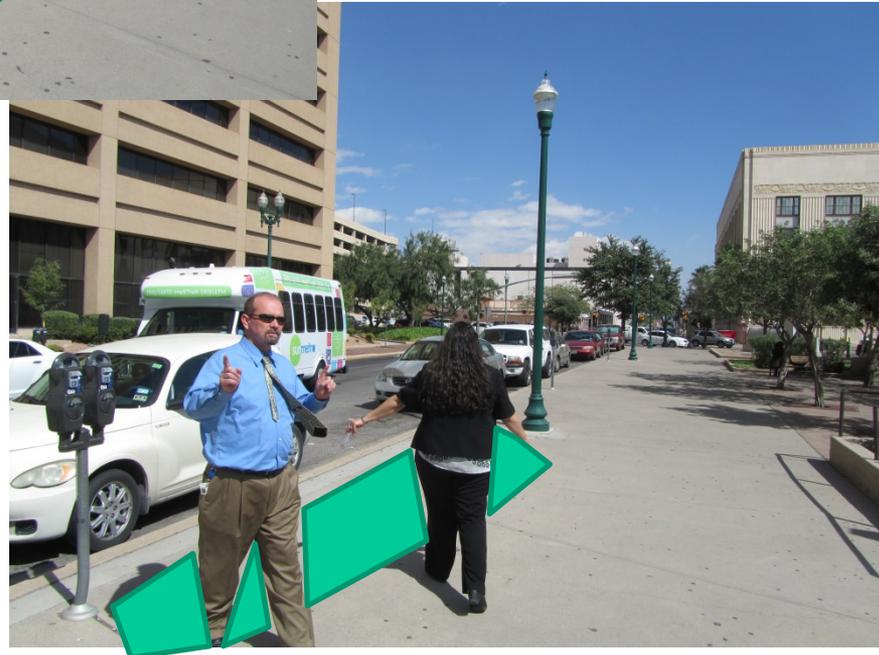
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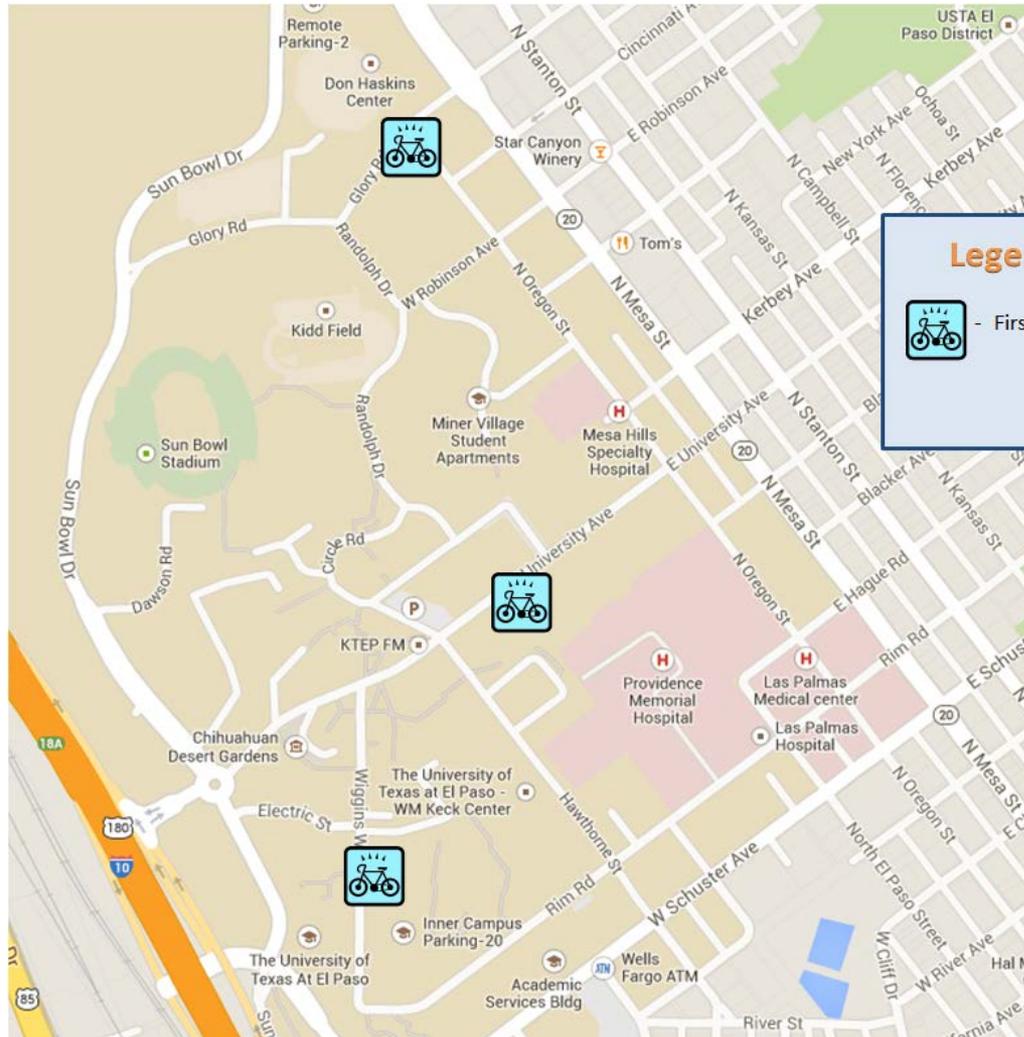




# Close-Up of UTEP

## First Phase

1. **Glory Road Transit Terminal**
2. **Next to the Union and the Liberal Arts Building**
3. **In front of the Library**



**Legend**

 - First Phase



# Models of operation

- Many of the larger bike-sharing schemes are **public-private partnerships** that rely on a combination of user fees, advertising revenue, sponsorship and government money.

A screenshot of a Forbes article snippet. The top navigation bar includes "Forbes", "New Posts (+37 posts this hour)", "Popular (A Walk Down Silk Road)", and "Lists (TV's Highest-Paid Actors)". Below the navigation is a profile picture of a woman and a bio: "I cover innovation at the intersection of health & the environment." with a "+ Follow (56)" button and a "Follow" button with a "212" count. The article title is "GREEN TECH | 8/22/2011 @ 1:54PM | 9,889 views" followed by "Bike-Sharing Grows Up: New Revenue Models Turn a Nice Idea into Good Business".

**Forbes** - New Posts +37 posts this hour Popular A Walk Down Silk Road Lists TV's Highest-Paid Actors

 I cover innovation at the intersection of health & the environment.  
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GREEN TECH | 8/22/2011 @ 1:54PM | 9,889 views

## Bike-Sharing Grows Up: New Revenue Models Turn a Nice Idea into Good Business



# Models of operation

- **Operating non-profit**
  - (either pre-existing or established specifically) owns and operates the system.
- **Administrative non-profit**
  - (either pre-existing or established specifically) owns and administers the system;
  - **operated by a private contractor.**
- **Publicly owned; operated by a private contractor**
- **Privately owned and operated**
- **Publicly owned and operated**
  - (no North American examples as of Jan. 2012).
- **Transit agency owned and operated**
  - (no North American examples as of Jan 2012).
- **Owned and operated as part of a street-furniture advertising contract.**



# Operation Costs

- **Operational maintenance costs**
  - Maintaining the stations (make sure they are functional and clean)
  - Maintaining bikes and infrastructure (fixing flats, etc.)
  - Rebalancing the system (moving bikes from one station to the other)
  - Providing customer service (memberships, billing, etc.)
  - Make sure the data tracking software is working
    - Annual Software renewal
    - Cellular connectivity



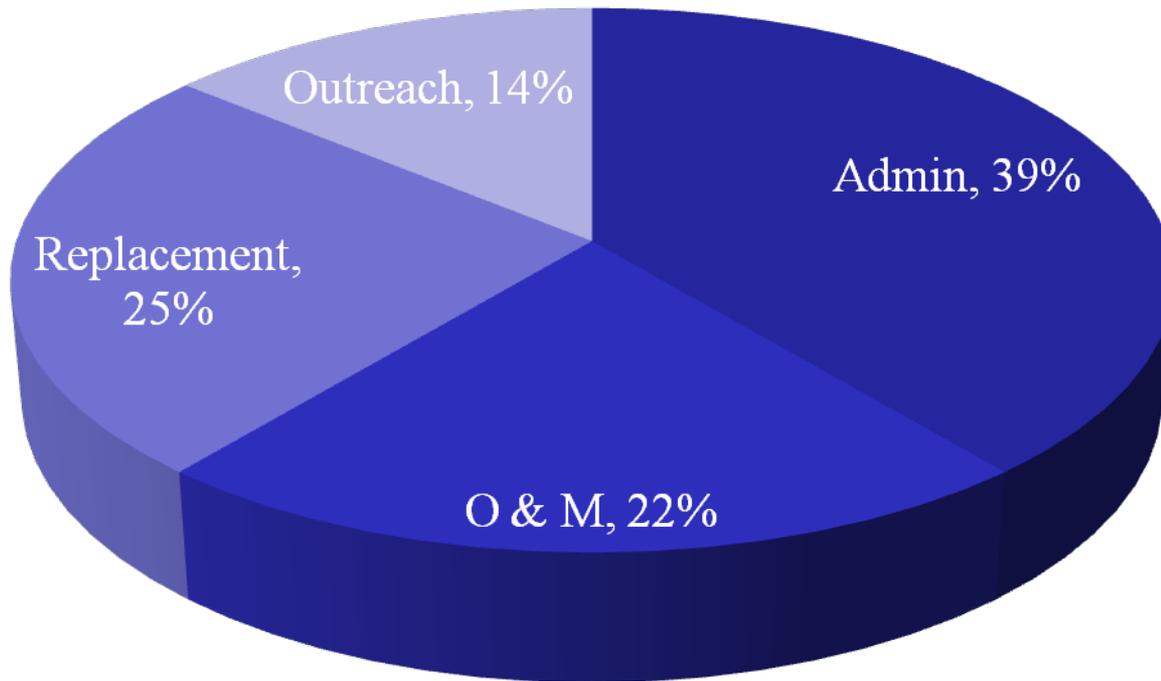
# Operation Costs

- **Promotional costs**

- Sponsorship/Advertising
- Marketing
  - Promotions (free helmet with annual membership, 10% off monthly pass during Bike Month)
  - Social Media
- Safety outreach and information
  - Help from community group and certified bike safety trainers
- Website



## Operational Costs



- Admin
- O & M
- Replacement
- Outreach



# Suggested Membership and Usage Fees

## Membership Fee (access to system)

- 24 hours - \$3 - \$7
- 7 Days - \$8 - \$20
- Monthly - \$21 - \$30
- Annual – \$60 - \$80
  
- Student Annual- \$45-70
  
- Senior (65+) Annual - \$45-70

## Usage Fees (per ride)

- 0-30 minutes – no charge
- 31-90 minutes - \$3
- 91-120 minutes - \$6
- Every 30 minutes thereafter - +\$4
- Daily Maximum- \$65



# Projected Revenue

- Grants - \$10,000 / year (Foundation grants for example)
- Membership –
  - **Annual:** \$3,000 (50 annual memberships) in first two months then \$600 (10 annual memberships) for 3<sup>rd</sup> and 4<sup>th</sup> month and then \$300 afterwards (5 annual memberships)
  - **Daily, weekly, monthly:** \$2750 for 1<sup>st</sup> month, \$1000 for 2<sup>nd</sup> month, and \$500 monthly afterwards
    - Mixed amount of passes—amount derived from other cities’ cash flows
- Sponsorship of stations @ \$15,000 each for 8 stations = \$120,000
- Usage Fees = \$2,000 initially and \$1500 monthly afterwards
  - Mixed amount of passes—amount derived from other cities’ cash flows
- Other miscellaneous sales/revenue: \$200 initially and \$50 / month afterwards

<b>Operation resources</b>				
Grants and Contributions		\$ 10,000		
Membership passes				
	Annual	\$ 3,000	\$ 3,000	\$ 600 \$ 600
	Daily, weekly, monthly	\$ 2,750	\$ 1,000	\$ 500 \$ 500
Sponsorships		\$ 120,000		
Usage Fees		\$ 2,000	\$ 1,500	\$ 1,500 \$ 1,500
Replacement Fees (replacing bike cards, lost bikes)				
Miscellaneous Fees (misc. expense charges)				
Declined credit card/Rebilling				
T-shirt sales		\$ 200	\$ 50	\$ 50 \$ 50
<i>Total operation resources</i>				







# Forecasted Cash Flow Statement

Cash flow from operation and management expenses	\$	(149,706)
Cash flow from infrastructure and set-up expenses	\$	(385,474)
Cash flow from operation resources	\$	317,950
Cash flow from capital resources (grants and funding)	\$	800,000
Projected cash balance end of Year 2	\$	582,770
Projected cash balance end of Year 3	\$	658,177
Projected cash balance end of Year 4	\$	733,584
Projected cash balance end of Year 5	\$	808,991
Projected cash balance end of Year 6	\$	910,798
Projected cash balance end of Year 7	\$	1,014,645
Projected cash balance end of Year 8	\$	1,118,492



# Potential Partners for O & M

- Downtown Management District
- Regional Mobility Authority
- Velo Paso (community organization)
- UTEP\*
- Fort Bliss\*

*\*O & M on-site only*



Thank you