

## Memorandum

**To:** Honorable Mayor and Members of the City Council  
Administration and Public Works Committee

**From:** Suzette Robinson, Director of Public Works  
Marty Lyons, Assistant City Manager  
Catherine Hurley, Sustainable Programs Coordinator

**Subject:** Resolution 50-R-13 Authorizing the City Manager to Submit an Application for Grant Funds from the Transportation Alternatives Program to Extend the Regional Bike Share System to Evanston

**Date:** August 8, 2013

Recommended Action:

Staff recommends City Council approve Resolution 50-R-13 authorizing the City Manager to submit an application for grant funds from the Transportation Alternatives program to extend the Regional Bike Share System to Evanston as a Bike Share Pilot Program.

Funding Source:

A 20% cost match in the amount of \$94,500 is required for the grant and can be provided by the Parking Fund or through short term bonds. Staff will also be exploring financial support from Northwestern University, Northshore University Health System – Evanston Hospital and Rotary International to support the capital and operating expenses of the Bike Share Pilot Program.

Summary:

The Chicago Metropolitan Agency for Planning (CMAP) is using a competitive proposal process to select projects to fund under the new Transportation Alternatives program (TAP). TAP was created by Congress with the passage of Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) and supports non-motorized transportation. For the fiscal year 2013-2014, CMAP plans to fund bicycle and pedestrian facilities totaling \$17.5 million under the TAP.

The City of Evanston has the opportunity to apply for TAP funding in partnership with the City of Chicago and Village of Oak Park to develop a regional bicycle sharing program. The City of Chicago launched a bike share program called Divvy to provide residents and visitors with an additional transportation option for getting around the city. The City of Evanston, in partnership with the City of Chicago and the Village of Oak Park, are seeking to apply for funding from the TAP to expand bike share north into

Evanston and west to Oak Park. A 20% cost match is required by the TAP and the locations of the bike share facilities could be determined following the award of grant funding for the project. Applicants will be notified in January 2014 if their projects are funded. Before accepting the grant, Staff will come back to City Council and present a final budget and Bike Share Pilot Program implementation plan for approval.

#### Bike Share Overview:

A bike share program is a service where individuals have access to bicycles for short-term use. Systems like Chicago's Divvy program provide bicycles for short-term use at automated bicycle rental stations. Individuals may use any bicycle parked at the station, and return the bicycle to any other station within the system. This system is designed for short point to point journeys and aims to provide a transportation alternative to driving, transit or walking. A bike share program is also designed to solve the "last mile" problem, which refers to the difficulty for individuals to get to their final destination from a public transport hub such as bus stops and train stations. A strategically planned bike share system will help connect people on the last mile of their travel journey or serve as an alternative to other forms of transportation. Bike share programs have many benefits including reducing fuel use and greenhouse gas emissions, promoting health and active living and providing a low cost transportation alternative.

Bike share programs are becoming increasingly popular both in the U.S. and around the world. There are approximately 530 bike share programs globally with an estimated fleet of 500,000 bicycles. In the U.S., major metropolitan areas including New York, Boston, Washington D.C., and Denver have bikeshare programs as well as smaller cities such as Chattanooga, TN, Cleveland, OH; and Minneapolis, MN. A table summarizing the prominent U.S. bikeshare programs is provided in Attachment 2.

#### Divvy – Chicagoland Regional Bike Share:

This spring the City of Chicago launched Divvy, a bike share program which provides residents and visitors with an additional transportation option for getting around the city. Divvy has 117 stations installed as of August 1<sup>st</sup> and will have 4,000 bikes and 400 stations across Chicago by the spring of 2014. In the first month of operations, Chicagoans and visitors have taken more than 80,000 trips and have collectively ridden an estimated 250,000 miles. As of August 1<sup>st</sup>, there are nearly 4,000 Divvy members across the Chicagoland area. In the first month of operations, 61 Evanston residents have signed up as Divvy annual members and another 100 residents are casual members. The bike share program infrastructure is owned by the City of Chicago and operated and maintained by Alta Bikeshare. More details on the Divvy system are provided in Attachment 3.

#### Grant Application:

The cities of Evanston and Chicago and the Village of Oak Park are seeking to apply for funding from the TAP to purchase and install bike share stations to expand the Divvy program to Evanston and Oak Park. The specific locations for the Divvy stations would be determined by each community following the grant award. The City of Chicago would locate the share of their stations to connect the existing Divvy network in Chicago to Evanston and Oak Park.

The Evanston portion of the grant application will be used to fund a Bike Share Pilot Program with bike share locations focused on connecting Downtown Evanston, Central Street and the City’s largest employers: Rotary International, Northshore University System – Evanston Hospital, Northwestern University and the City of Evanston. A map showing potential locations for the pilot bike share stations is provided as Attachment 4.

The estimated capital and installation cost for Evanston’s part of the grant application is provided in Table 1. Upon the receipt of the grant, staff would get formal quotes from the bicycle share vendor, Alta Bikeshare and finalize the capital and installation budgets. The final number of stations and bicycles for Evanston’s Bike Share Pilot Program may vary depending on the final quotes from Alta Bikeshare.

Table 1 – Estimated Capital and Installation Costs for Regional Divvy Bike Share Program

<b>Capital Expenses</b>	<b>Cost / Station</b>	<b>Number of Stations</b>	<b>Total Cost</b>
Equipment for 7 bicycle share stations: 70 3-speed bicycles, Station Kiosk, Back Lit Map Frame, Docks, Technical Platform, Customer Keys, Shipping and Customs, Alta Bicycle Share Handling Fee	\$ 62,000	7	\$ 434,000
<b>Equipment Installation Services</b>			
Alta Installation Services	\$ 5,500	7	\$ 38,500
<b>Total Capital and Installation</b>			<b>\$ 472,500</b>
<b>City Cost Share for Grant</b>			<b>\$ 94,500</b>

Under the TAP grant, 20% of the total project cost is required in matching funds by the project applicants. For the proposed application, Evanston’s cost-share for the grant would be \$94,500. Staff have been in contact with Northwestern University and they have expressed interest being a partner to bring Divvy to Evanston. While a specific financial contribution was not determined, Northwestern University agreed to continue dialogue and negotiate a contribution that was fair to both parties. Staff will also approach the City’s other large employers including Rotary International and Northshore University Health System – Evanston Hospital for support the Bike Share Pilot Program including capital cost-share and operating expenses. The Budget Team has advised Staff that the City’s portion of the cost match can be provided from short-term bonds or resources in the Parking Fund.

Operating Costs:

Operating costs for the Divvy bike share system have been estimated based on the City of Chicago’s contract with Alta Bikeshare, the operator of Divvy. Operating revenues include user fees from both the Annual Divvy Members and the casual users. Advertising panels on the Divvy kiosk can also generate monthly revenues for each station which can be explored in the future. Community partners, such as Evanston’s

largest employers can also financially support the operations of the system with financial contributions. A preliminary estimate of the annual operating budget once the bike share system is established is provided in Table 2.

Table 2 – Estimated Annual Operating Budget

<b>Operating Expenses</b>	<b>Cost / Station</b>	<b>Number of Stations</b>	<b>Total Cost</b>
Operating Cost: Estimated Cost per Station for Divvy Management, Operations Equipment, Communications and IT, Facilities and Marketing.	\$ 24,000	7	\$ 168,000
<b>Operating Revenue</b>			
Estimated Casual User Fees	\$ 6,300	7	\$ 44,100
Estimated Annual Member Fees			\$ 75,000
<b>Total Operating Revenue</b>			<b>\$ 119,100</b>
<b>Net Operating Cost</b>			<b>\$ 48,900</b>

Bike share systems in the U. S. are recovering 50% to 120% of operating costs through user fees and advertising. Systems similar in size to Evanston, such as the Arlington County, Virginia System, average 70% to 80% cost recovery. Cost recovery is in large part dependent on the overall success of the program and can be further advanced with community partnerships and sponsorships.

There are two possible models for the operations and maintenance of the Divvy system in Evanston. Under the first model, Evanston would collect revenues from Annual Members and casual users of Divvy that originate in Evanston plus any advertising and sponsorship dollars for Divvy stations in Evanston. Evanston would have a separate contract with Alta BikeShare to operate and maintain the Divvy stations in Evanston. The Budget Team has advised Staff that under this scenario, the Parking Fund could be used to collect revenues and pay for operations costs.

The second model would entail the City of Chicago collecting all revenues generated from the Divvy System and use their existing contract with Alta Bikeshare to operate and maintain the Divvy Stations in Evanston. Under this model, the City of Evanston and Chicago would establish an agreement by which the costs and revenues were assessed throughout the year and any shortfall in revenues compared to costs for operating the system would be paid by the City of Evanston to the City of Chicago. Staff recommends Evanston pursue the second operating model and will work with Chicago Staff in the coming weeks to work out the details for an operating agreement.

Bringing the regional bike share system to Evanston would benefit residents, visitors and local employers. In addition to Northwestern University, Staff plans to reach out to the City's other large employers to seek partnerships in bringing Divvy to Evanston. In addition to supporting the cost match, local partners can also provide sponsorships that could contribute to the operating revenue for the system.

#### Impacts:

A detailed assessment of impacts from a bike share system in Evanston are not available at this time. However, there are several common impacts to bike share programs that can inform the City's decision in moving forward with the bike share program. Yearly funding for operations and maintenance costs need to be budgeted and will be an on-going obligation of the City to keep the program going. While the Divvy staff will do the majority of the marketing, member registration, and day-to-day operations of the stations, some City staff time will be needed to help administer the program and serve as a liason between Divvy and the community.

Projected ridership of the Divvy system in Evanston and optimal locations for the stations are critical in a successful bike share program and have not been developed in detail yet. A main goal of a bike share program is to provide an additional transportation alternative and the participation in the program is specific to each community. These aspects need to be fully evaluated before stations can be located and operating budgets developed. Finally, the space requirements needed for the bike share system can also be a challenge. Bike share stations can be located on a wide sidewalk (10' minimum), at City facilities, on private property or by eliminate parking to accommodate the facilities. Thorough planning is needed to evaluate and select bike share station locations.

#### Next Steps:

Staff seeks authorization for the City Manager to submit an application for grant funds from the Transportation Alternatives program to extend the Divvy program to Evanston with a Bike Share Pilot Program of 7 stations. Pending City Council's approval, staff will continue to coordinate with the City of Chicago and the Village of Oak Park to refine the project details including the budget, strategy for system operations and maintenance, and detailed assessment of projected ridership and revenues. Staff will also develop an implementation plan including a process to select the final bike share locations, long term capital plan, and program launch and promotion. Staff will provide an update to City Council in the next few months and present a final budget and Bike Share Pilot Program implementation plan for City Council approval.

Evanston is the leader in suburban Chicagoland for bicycle infrastructure and has been recognized nationally as a bicycle friendly community. A next opportunity to further advance bicycle infrastructure is by providing a wider access to bicycling as a form of transportation through a bike share program.

#### Attachments:

Attachment 1 – Resolution 50-R-13

Attachment 2 – Overview of U.S. Bike Share Programs

Attachment 3 – Divvy Bike Share Program Materials

Attachment 4 – Potential Locations for Bike Share Pilot Program Stations

8/7/2013

**50-R-13**

**A RESOLUTION**

**Authorizing the City Manager to Submit a Grant Application  
to the Chicago Metropolitan Agency for Planning  
for Transportation Alternatives Program Funds  
to Extend the Regional Bike Share System to Evanston**

**WHEREAS**, the Transportation Alternatives Program (“TAP”) is a federal program, codified in U.S.C. §§ 213(b) and 101(a)(29), that funds transportation alternatives, including bicycle facilities; and

**WHEREAS**, the Chicago Metropolitan Agency for Planning (“CMAP”) employs a competitive process to select projects to sponsor with TAP funds; and

**WHEREAS**, the City seeks to file a joint application with the City of Chicago and Village of Oak Park for a grant of three million dollars (\$3,000,000) in TAP funds from CMAP to expand a regional bike sharing program; and

**WHEREAS**, receipt of the grant would bring an estimated one hundred fifty (150) bicycles to the City at fifteen (15) separate stations;

**WHEREAS**, TAP regulations require that participants match twenty percent (20%) of their respective project costs; and

**WHEREAS**, the City’s estimated share would be two hundred fifty thousand dollars (\$250,000); and

**WHEREAS**, CMAP must receive all applications no later than August 20, 2013,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:**

**SECTION 1:** The City Manager is hereby authorized to sign a joint grant application with the City of Chicago and Village of Oak Park, for three million dollars (\$3,000,000) in TAP funds from CMAP, to extend the regional bike share program to the City of Evanston.

**SECTION 2:** The City Manager is hereby authorized and directed to negotiate any additional conditions of the grant application as he may determine to be in the best interest of the City.

**SECTION 3:** This Resolution 50-R-13 shall be in full force and effect from and after its passage and approval in the manner provided by law.

\_\_\_\_\_  
Elizabeth B. Tisdahl, Mayor

Attest:

\_\_\_\_\_  
Rodney Greene, City Clerk

Adopted: \_\_\_\_\_, 2013

Attachment 2 - Overview of U.S. Bike Share Programs

City	Company	Number Of Stations	Number Of Bikes	24 hr Pass	7 day Pass	Monthly Pass	Annual Membership	Operational Hours	Link
New York	Citibike	600	10,000	\$9.95 + tax	\$25 + tax	N/A	\$95+ tax	24hrs	<a href="http://citibikenyc.com/">http://citibikenyc.com/</a>
Washington DC	Capital	200	1800	\$7	\$10 + \$7/day	\$25	\$75	24hrs	<a href="http://www.capitalbikeshare.com/">http://www.capitalbikeshare.com/</a>
Minneapolis	Nice Ride	170	1,500	\$6	N/A	N/A	65	24hrs	<a href="https://www.niceridemn.org/?gclid=C_Oe7KaX6bgCFbAWMgodzCQA2Q">https://www.niceridemn.org/?gclid=C_Oe7KaX6bgCFbAWMgodzCQA2Q</a>
Chicago	Divi	300	3,000	\$7	N/A	N/A	\$75	24hrs	<a href="http://divivybikes.com/">http://divivybikes.com/</a>
Miami	DecoBike	100	1,000	\$24 rental	N/A	\$15/only 30 min ride a day	N/A	24hrs	<a href="http://www.decobike.com/miamibeach">http://www.decobike.com/miamibeach</a>
Columbus	COGO	30	300	\$6	N/A	N/A	\$75	24hrs	<a href="http://www.cogobikeshare.com/">http://www.cogobikeshare.com/</a>
Denver	Denver B-cycle	315	3,000	\$8	\$20	\$30	N/A	24hrs	<a href="http://denver.bcycle.com/">http://denver.bcycle.com/</a>
San Fransico	Bay Area BikeShare	70	700	\$9	\$22	N/A	\$99	24hrs	<a href="http://bayareabikeshare.com/">http://bayareabikeshare.com/</a>
Arlington County	Capital	65	213	\$7	\$10 + \$7/day	\$25	\$75	24hrs	<a href="http://www.capitalbikeshare.com/">http://www.capitalbikeshare.com/</a>
Boulder Colorado	Boulder B-cycle	15	130	\$8	\$20	\$30	N/A	24hrs	<a href="http://boulder.bcycle.com/">http://boulder.bcycle.com/</a>
Boston	Hubway	168	1600	\$6	N/A	\$20	\$85	24hrs	<a href="http://www.thehubway.com/">http://www.thehubway.com/</a>
Minnesota	Nice Ride	170	1,500	\$6	N/A	N/A	\$65	24hrs	<a href="https://www.niceridemn.org/">https://www.niceridemn.org/</a>

## Attachment 3 – Divvy Bike Share Program Information

# DIVVY



- Divvy is Chicago's bike sharing system with **4000 bikes** and **400 stations** across the city.
- Intended to provide Chicagoans with an **additional transportation option** for getting around the city.
- Divvy is **fun, easy** and **affordable**.

- A bike sharing system consists of a fleet of **specially designed, heavy-duty bikes** that are locked into a network of **docking stations** located **throughout a city**.
- Divvy bikes can be **rented** from and **returned** to **any station** in the system, creating an efficient network with **many possible combinations of start and end points**.



- Each Divvy station has a **touchscreen kiosk**, **station map**, and a **docking system**.
- Regular users can purchase **yearly memberships** via a website and one-time cyclists can use a **credit card** at the touchscreen kiosk
- User fees provide **unlimited 30-minute rides**:
  - Annual Memberships cost \$75
  - A 24-Hour Pass is \$7
  - Incremental fees apply to trips that exceed 30 minutes.

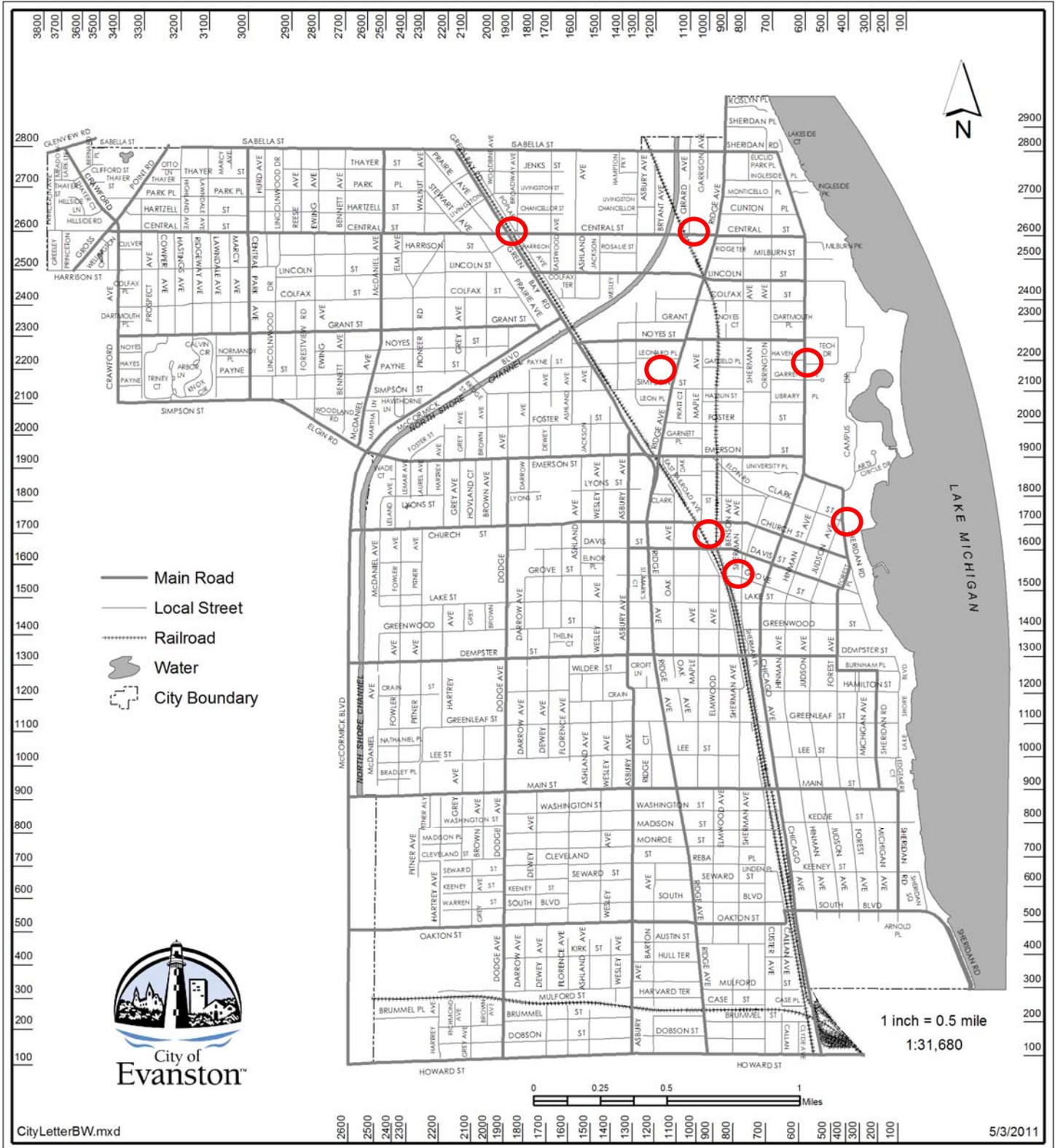


### Attachment 3 – Divvy Bike Share Program Information

- To date, about **75%** of the trips using Divvy were from customers who purchased 24-hour passes, with the remainder from annual members.
- THE BIKE
  - Distributed by the company “Bixi”
  - Utility bicycles with a unisex step-through frame
- The **one-piece aluminum frame** and handlebars conceal cables in an effort to **protect them from vandalism and inclement weather**
- The **heavy-duty tires** are designed to be **puncture-resistant** and are filled with nitrogen to **maintain proper inflation pressure longer**
- **Twin LED rear lights** are integrated into the robust frame.



# The City of Evanston



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