

13. Business Plan Summary

This Technical Memorandum outlines a business plan for the creation of a bike share program in the City of Tulsa. It presents information on the proposed system size and phasing; outlines options for a business model that will be used to own, administer and operate the system; presents a business *pro-forma* and financial plan for funding the system; identifies operational considerations for the program; and presents a series of best practices to ensure system equity.

The recommended system will consist of an initial launch (Phase 1) of 12 stations (or hubs) and 108 bikes at key locations downtown and along the River Parks East Trail. Phase 2 will expand the network with 12 additional stations/hubs at the OSU campus and in districts to the east and south of downtown, including one at the University of Tulsa. Ownership of the system will ultimately come from a newly-formed non-profit who will provide operations or contract it out to a private vendor.

Station sites will ultimately include a mixture of sidewalk and on-street sites at an average spacing of approximately one station every $\frac{1}{4}$ mile. This density provides access to a bike within a short walk of anywhere in the service area and provides a nearby alternative to return a bike if the destination station is full.

Phase 1 and 2 of the system is expected to cost \$3.2 - \$3.8 million over five years—depending on selected equipment and technology—including capital, launch, administration, and operating costs. Projected revenue of \$93,000 (year 1) to \$270,000 (year 5) per year will provide 36-52% of the operating fees, but will need to be defrayed by \$2.3 - \$2.9 million in gap funding over the five-year period. Gap funding will primarily come from three sources: federal grant funds, state Tobacco Settlement grants and system and/or station sponsorship. For the latter, other cities' experience has shown that corporate sponsors like to have stations and/or bicycles branded with their logos and corporate color scheme, in some cases.

Members will be able to access the system for a cost of \$75 for an annual membership, \$25 for a monthly membership, \$15 for a three-day pass, and \$6 for a 24-hour pass. Members will be able to take as many trips as they like with the first 30 minutes free, after which a graduated pricing scheme charges users for longer trips.

Given the importance of providing bike share for a diverse range of demographic groups in the region, it is recommended that the program incorporate some of the Equity best practices from Section 7. The affordability strategies and promotional programs, especially, will create another mobility option for communities needing enhanced transportation to jobs, shopping and destinations within the city core.



In 2016, Downtown Tulsa may have a bike share program

From inception to launch, a 12 station, 108 bike system will take 18-24 months to implement. Specific “next steps” that will need to be met before a potential 2016 launch include:

- Establish a program “champion”; an individual or small group with strong political and corporate connections, and who is dedicated to building bike share in Tulsa;
- Seek partners in the public and private sector who can deliver on commitments to help;
- Form a Board of Directors , establish a non-profit (or revise the structure of an existing one) and hire an Executive Director;
- Refine a fundraising strategy that includes grant applications and presentations to potential foundation, institutional or corporate sponsors (prior to this, the City Council must revisit the local ordinance prohibiting advertising or logos within the public right of way);
- Continue to aggressively implement new bikeway projects within the designated service area to promote access and safety for less-experienced riders;
- System plan approval & permitting from the City of Tulsa and the State of Oklahoma, as needed;
- Develop an RFP for an equipment vendor—with a proven hardware track record and fully-functional software—and, potentially, an operations vendor (can be combined or separate);

Within the time frame established above, the launch itself will take 4-6 months and include:

- Purchase equipment and lease warehouse and office space;
- Hire and train an administrative team;
- Maintain ongoing branding, marketing, and advocacy to promote wide interest in bike share;
- Design a website that provides essential information, along with specific tools—such as mobile applications, membership registration, and interactive maps—to enhance the user experience
- Manufacture, delivery, assembly and installation of equipment
- Creation of system name and logo
- Undertake pre-launch marketing and host a launch event/celebration

Bike share systems should be considered a part of a comprehensive bike-ped plan for the city or the region. It is important to integrate Tulsa Bike Share system with the INCOG and City of Tulsa’s *GO Plan* implementation process. Bike share adds value to this system by creating demand and a culture of acceptance of bicycling as a form of transportation not only a recreational activity.

Numerous cities in the United States recognize the health, environmental, and economic benefits of bike sharing. The City of Tulsa has some of the key characteristics required to make a bike sharing program successful and has an opportunity to continue its development as a bike-friendly city.