



Raleigh **Bike**Share

Proposal to Wake County

FY2016 Major Facilities Capital Projects Funding



RFP# 16-045

June 15, 2016



City of Raleigh
North Carolina

June 15, 2016

Mr. Jim Hartmann, County Manager
Wake County
P.O. Box 550
Raleigh, North Carolina 27602

SUBJECT: Major Facilities Capital Project Funding Request – City of Raleigh Bikeshare System

Dear Mr. Hartmann:

Please find attached our request for \$200,000 from Wake County to assist with the implementation of a bikeshare system in Raleigh. The City of Raleigh is committed to providing amenities and facilities that further the initiatives of our Strategic Plan, and bikeshare meets many of the established objectives for the City's six focus areas:

- Arts & Cultural Resources
- Growth & Natural Resources
- Safe, Vibrant & Healthy Community
- Economic Development & Innovation
- Organizational Excellence
- Transportation & Transit

We are committed to increasing our mutual profiles as a City and County committed to health, economic development, and quality of life resources. Bikeshare contributes to all of these and will provide both transportation and recreation opportunities that appeal to residents and visitors to Wake County.

The County's funding assistance will help us to deploy the first phase of our proposed bikeshare system of 300 bikes at 30 stations in a 6.7-square mile area encompassing downtown and the City's five colleges and universities. Our bikeshare system will provide access to both residents and tourists to popular areas of our City like Fayetteville Street and Hillsborough Street, and will facilitate easy access to major destinations like the North Carolina Museum of Art and the Raleigh Convention Center.

The City's new Department of Transportation will be responsible for design, construction, and implementation of the bikeshare system. We have secured nearly \$1.55 million in federal funding through the Capital Area Metropolitan Planning Organization and have established many partnerships both inside and outside our organization that will be important to a successful bikeshare operation. We are confident in our experience, abilities, and efforts as we move forward.

Thank you for the opportunity to submit our proposal for your favorable consideration. Should you or your staff have any questions or need additional information regarding this request, please do not hesitate to contact me at (919) 996-2161 or email me at eric.lamb@raleighnc.gov.

Sincerely,

Eric J. Lamb, PE
Transportation Planning Manager

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Executive Summary

The City of Raleigh will be implementing a 300-bike, 30-station bikeshare system in a 6.7-square mile area around downtown extending from the North Carolina Museum of Art to Raleigh Boulevard, and from Wade Avenue south to Trails Corner at Little Rock Trail. Installation is anticipated to be complete by Summer 2017, and along with design and startup, is estimated to cost \$2,061,000. The City has received a Congestion Mitigation and Air Quality grant for \$1.6 million towards bikeshare implementation. This grant is federal funding administered through the Capital Area Metropolitan Planning Organization that requires a 20% local match.

Bikeshare is a mode of transportation that is user fee-based, allowing riders to rent a bicycle for a limited period of time with the intent of making short trips of typically under three miles to reach a variety of destinations. In cities across the United States, bikeshare systems are also seeing use as standalone activities by both residents and visitors. Data associated with these other cities indicate that bikeshare positively impacts the local economy through increased stays and food and beverage purchases. The City of Raleigh fully expects its bikeshare system to generate additional and unplanned trips to spending destinations because of the convenience and connectivity bikeshare provides. **The City of Raleigh believes bikeshare will be an added attraction in Wake County and is seeking \$200,000 in Major Facilities Capital Projects funding toward the capital cost for our bikeshare system.**

The City's Department of Transportation will be charged with bikeshare implementation, including coordinating with other City departments, project management, and oversight of bikeshare installation and operation contracts. Staff within this department are comprised of the Office of Transportation Planning, GoRaleigh, and streets and traffic engineering offices who have experience with large-scale bicycle facilities projects and the city-owned, privately-operated model that will be the City's bikeshare system.

The City of Raleigh is confident that bikeshare will be used by both residents and visitors and will positively benefit individuals and our community. Bikeshare will meet the Board of Commissioners goals for Community Health, Economic Strength, Mobility, and Social and Economic Vitality for Wake County.

Susan L. Wilson, AICP, as the Bicycle and Pedestrian Program Manager, will serve as the project manager for this project and is the contact for this proposal. Her contact information is:

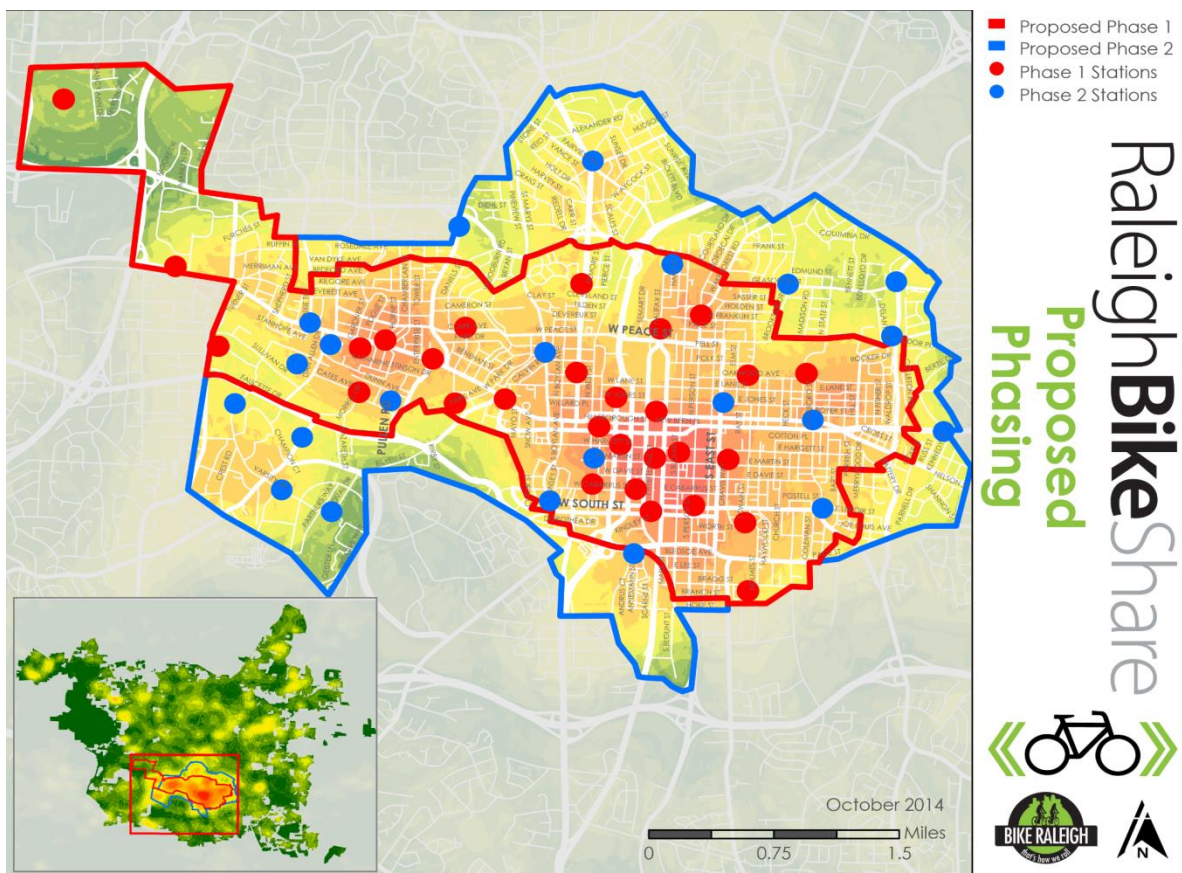
Susan L. Wilson, AICP
Bicycle & Pedestrian Program Manager
Susan.Wilson@raleighnc.gov
P: 919-996-2476
F: 919-516-2681

Scope of Project

The City of Raleigh is excited to be implementing a 300-bike, 30-station bikeshare system beginning this year, with completion in 2017. This is Phase 1 of a two-phase business plan that ultimately calls for a total of 500 bikes at 50 stations.

Through the Capital Area Metropolitan Planning Organization (CAMPO), the City has secured nearly \$1.6 million for design and construction/implementation of Phase 1 of bikeshare. **The City is required to provide a 20% match to this funding, and we are seeking \$200,000 in Major Facilities Capital Projects funding from Wake County to help us meet this financial match.**

Bikeshare is both a transportation mode and a standalone activity that will benefit the local economy through increased spending on food, beverage, accommodations, and other services.



What is bikeshare?

Bikeshare is a self-service, kiosk-based bicycle rental option that expands the reach of transit and is attractive for short trips, usually up to 3 miles.

Based on performance in other cities, bikeshare is proving to be both a means of commuting and a healthy tourist attraction. Bikeshare is different from a conventional bicycle rental program in that:

- the fee structure for bikeshare encourages shorter trips by charging higher rates the longer a bike is kept, and
- bikeshare trips are often point-to-point where users return a bike to a different station location than where they started.

Users pay for the use of bikes with a one day pass or as a longer-term membership, each user can keep a bike for a 30-minute period without incurring additional charges on top of their pass or membership cost.

Background

The City of Raleigh completed a Bikeshare Feasibility Study in 2014. Analysis for the Feasibility Study looked at the following indicators to identify the areas that became Phases 1 and 2 for bikeshare implementation:

- Employment Density
- Population Density
- Proximity to Attractions
- Proximity to Transit
- Proximity to Bicycle Infrastructure
- Topography
- Equity
- Public Comments

Overlaying this data identified areas with the highest potential for bikeshare use. As it is described in the Feasibility Study, the result for Phase 1 is a recommended system of 300 bikes at 30 stations in an area of 6.7 square miles. The area of Phase 1 extends south from Wade Avenue to Trails Corner at Little Rock Trail, just south of Martin Luther King Jr. Boulevard and from the North Carolina Museum of Art east to Raleigh Boulevard. This area contains all five of the City's colleges and universities, and at the time of the study's completion in 2014, it contained 8% of the residents and 42.3% of the jobs in Raleigh. The Study identified preliminary station locations that the City will refine, as necessary, as we move forward towards construction.



Usage

In the first year of operation, Raleigh's bikeshare system is expected to have 670 subscription members and 10,270 casual members. These numbers are expected to increase each year of operation. Casual members are those who purchase a 1-day pass and likely will be a mix of visitors and residents who want to try bikeshare before purchasing a longer-term membership.

At a minimum, the City of Raleigh expects to offer 1-day pass and annual pass memberships as recommended in the Feasibility Study. Daily fees for 24 hour use of bikeshare are recommended at a rate of \$8, and annual memberships are expected to cost \$80. It is possible that the City will consider membership levels in between, depending on system use and feedback from members.

The Feasibility Study estimates the cost for bikeshare purchase, installation, and startup to be \$2,061,000. This amount breaks down as roughly \$61,000 per station. Base equipment, including shipping and other fees, spare parts, system keys, decals, and system maps are included in the per station costs. This cost estimate also includes approximately \$200,000 in design and administrative costs associated with construction.

Additional Information

An analysis of the demand or unmet need, inadequate facilities or future needs of sports, cultural, convention and art programs in Wake County and the anticipated number of projected visitors/participants served:

The 2014 Bikeshare Feasibility Study, through analysis of such data as population and employment trends, found that implementing a bikeshare system in Raleigh would be feasible to achieving the following goals outlined by the City and local stakeholders:

Goal 1: Increase the amount of bicycling in Raleigh while offering convenient transportation options for residents, students, employees, and visitors.

Goal 2: Increase equitable and affordable access to public transportation.

Goal 3: Increase the attractiveness of Raleigh as a place to live, work, visit, and do business.

Goal 4: Create a system that is financially self-sustaining over the long-term, with owner and operator incentives aligned to meet this goal.

In accordance with the City's Bike Plan, the City installed 27 miles of new bike facilities in 2015, with the many of which are within the Phase 1 bikeshare implementation area. With this effort, Raleigh increased bicycle accessibility and enhanced our existing on road bike network. We now have 67 miles of bike lanes, over 110 miles of greenways, and we are constantly adding to our network. Within the bikeshare implementation area, these new bike facilities help connect attractions extending from the North Carolina Museum of Art to the Person Street Business District. Major attractions in and around downtown are close enough together that bicycling between destinations is a viable mode of transportation for both residents and visitors.

As stated previously, the first year forecast of participants is 670 annual subscriptions and 10,270 casual members. With 30 stations in Phase 1, this equals 342 casual members per station. In locations with more trip attractions and higher concentrations of people (i.e., the Raleigh Convention Center, Fayetteville Street)—the number of casual members per station will be higher.

Subscription members are expected to take 19 rides per year, totaling 12,730 trips taken in Year 1. Casual members are expected to take 1.7 rides each, totaling 17,459 trips in Year 1. Together, these amount to 30,189 trips taken on bikeshare during the first year alone.

Estimates for Year 5 are as follows:

Subscription members: 1,858	Annual subscription rides: 35,302
Casual members: 19,450	Annual casual rides: 33,065
	Year 5 Total Rides: 68,367

Clear demonstration regarding the need for County capital investment in order for project success. It should also include data to demonstrate a clear link between the Major Facilities project initiative and the resulting increase in overnight room stays and food and beverage purchases:

Along with a grant for \$125,000 toward project design from the federal Transportation Alternatives Program, the City has been awarded \$1.6 million in Congestion Mitigation and Air Quality (CMAQ) grant funding for construction and implementation of the bikeshare system. These federal grants are being administered through CAMPO. The CMAQ grant requires a 20% local match in the amount of \$387,200. The City anticipates contributing additional funding for right-of-way/easement expenditures related to installation locations of bikeshare stations, bringing the local contribution to \$425,000 for bikeshare capital costs. The City is requesting \$200,000 from Wake County to assist with the City's required match for federal funding.

As North Carolina's Capital City, the City of Raleigh already has a significant tourism market as a result of conventions, conferences, special events, and other attractions. In 2014, there were 10.5 million domestic leisure visitors and 3.78 million business travelers to Wake County, which represents a 7.7% increase from 2013. Wake County has nearly 300 miles of greenway trails including Raleigh's 110 miles of greenway trails. These amenities are great attractors for recreational tourists to our area, and they are a reason other visitors choose to extend their stay beyond their trip's original purpose. According to data from the Greater Raleigh Convention & Visitors Bureau, overnight visitors in the Raleigh area are 29% more likely to bicycle here during their stays than visitors in the US overall. Between 2012 and 2014, 3% of all overnight stays in Raleigh included biking, yet these trips represented 6% of all trip dollars spent by these visitors.

Whatever their trip's purpose, visitors enjoy the convenience of our downtown area hotels. Raleigh currently has eight hotels and one under construction within the Phase 1 area of bikeshare. Recent zoning approvals mean that another four hotels could be built within this area in the next couple of years. The City also recently reduced parking requirements for hotels within the downtown area. More hotel visitors with fewer cars mean that bikeshare will benefit from the existing and expected Wake County visitors staying in downtown Raleigh. It also means that bikeshare, with its nearby station locations, will provide visitors a convenient way to explore the City.

As emerging data from existing bikeshare systems in other cities show, bikeshare in Raleigh will contribute to additional spending and trips to spending destinations. The following trends regarding bicycling and bikeshare benefits show that support for this mode of travel and recreation positively impacts the local economy through increased spending:

- *Evidence shows that bikeshare may generate new trips people would not have otherwise taken, as well as new spending.* Because bikeshare increases mobility and convenience in locations where automobile parking is in high demand, it is expected that bikeshare in Raleigh will generate new trips and spending.
- *Bikeshare users often travel to spending destinations, rather than to such locations as parks and open space that do not provide the opportunity to make purchases.* Both local residents and visitors are expected to use bikeshare to reach nearby destinations. Proposed station locations are convenient to spending destinations, including restaurants, as well as trip generators, including hotels, the Convention Center, and downtown neighborhoods.
- *In cities with existing bikeshare, user surveys show that a majority of people are likely to patronize businesses accessible via bikeshare.* The availability of nearby bikeshare stations make destinations more attractive because of the travel convenience.
- *Regarding bicycling in general, bicyclists tend to spend about the same amount of money at businesses as people who arrived by car, and they often make more frequent trips to spending destinations.*

A statement of the proposed Major Facilities project plan's effectiveness in addressing the community need in comparison to existing facilities. Include whether delays in the project impact its viability:

Charlotte is currently the only city in North Carolina with a bikeshare system. Raleigh's system would be the first in the Triangle region, and other cities in our area are looking to Raleigh to learn from the City's implementation as they consider moving forward with their own ideas for bikeshare systems. As previously stated, bikeshare systems are different than bicycle rental services that are offered by several bike shops in Wake County. Bikeshare is primarily used by two groups: by residents for transportation purposes, and by visitors as an activity itself. The proposed bikeshare station locations will be convenient to both groups as they will be near these types of trip generators (downtown neighborhoods, the Convention Center) and trip attractors (restaurants, museums).

The Feasibility Study recommends a two-phase installation that provides bikeshare to the areas of Raleigh with the highest concentrations of residents, jobs, and visitors. Phase 2 will add 200 bikes and 20 stations, bringing the system total to 500 bikes at 50 stations. This approach extends the reach of bikeshare from a 6.7-square mile area around downtown to one that is 9.8 square miles, while adding stations to the Phase 1 area to increase station density in popular locations.

The federal funding administered by CAMPO will cover design in FY 2016 and construction/implementation in FY 2017. The proposed completion date for Phase 1 implementation is currently July 2018, however the City anticipates the project to be completed well ahead of this date, likely by Fall 2017. Delays in bikeshare implementation would impact the project's viability by jeopardizing the available federal funding. However the City is confident in its project schedule with construction being completed well ahead of the date on record in the project agreement with CAMPO.

A description of how the proposer will collaborate with other organizations (government, non-profit, and corporate) to achieve the desired outcomes resulting in lasting community change:

The City of Raleigh is working with numerous partners to ensure a successful bikeshare system deployment. The planning, design, and construction will be a partnership led by the City's Office of Transportation Planning and will include the operating vendor and various City departments: Transportation, Engineering Services, Finance, Development Services, and Parks, Recreation, and Cultural Resources. NCSU will play a contributing role in implementation, as several bikeshare stations will be located on their campus. CAMPO will provide assistance as design and construction funding is administered and will likely assist in data analysis once bikeshare is operating. The City is actively discussing sponsorship opportunities with multiple businesses in the city. This corporate branding will increase sponsors' exposure to potential customers and provide financial assistance that will help the City with the cost of operating the system. The Greater Raleigh Convention & Visitors Bureau and the Downtown Raleigh Alliance are expected to be ambassadors of bikeshare as well. Both of these groups regularly interact with tourists and visitors and promote the unique and exciting offerings and attractions Raleigh has to offer. WakeUp Wake County and Advocates for Health in Action (AHA), as advocates for healthy, sustainable communities, are supportive of bikeshare and the benefits it will bring to Wake County. They will be important partners as bikeshare begins operation to educate the public about the system's use and benefits to both individuals and our community.

How the Proposer would track and measure success and how that mechanism and data would be included in future reports submitted to the County:

Data collection and evaluation are key to successful bikeshare systems because of their use of technology for operation. The vendor selected to operate the bikeshare system will be responsible for the data driven tasks of bikeshare membership maintenance as well as GPS information regarding the location of individual bikes and the occupancy rate at any given time of bikeshare stations. The City will use this information to monitor the effectiveness of media campaigns promoting bikeshare, to assess whether use and membership goals are being met, and to evaluate the locations of bikeshare stations to ensure they are meeting demand. Utilization data for individual stations will inform the impact bikeshare has on Wake County, as well as to nearby restaurants and businesses. This data will be included in detailed reports to Wake County.

A description of how the project advances the Board of Commissioners Goals as identified in Attachment 2:

Community Health: *Promote an effective behavioral and physical health system of care and practices that benefits all residents.*

Objective 2: *Support building a "culture of health" based on the Robert Wood Johnson Foundation model for healthy communities.*

As the City continues to expand its network of bicycle facilities, it is expected that bikeshare system will provide a complementary service that introduces residents and visitors to bicycling as an affordable and healthy transportation option. Biking benefits individuals by helping to reduce stress,

preventing/managing diseases, and aiding in weight loss. Biking also positively benefits communities like Raleigh who invest in bicycling as a form of transportation. There benefits are in line with the “culture of health” Wake County strives for. Bikeshare can:

- enhance placemaking;
- reduce greenhouse gases and traffic congestion;
- provide a quality of life amenity sought by residents and an attraction sought by tourists;
- increase the overall health of residents by providing access to an activity that results in higher productivity and less sick days; and
- engage businesses in health through sponsorship opportunities.

Economic Strength: Create a business-friendly environment to attract, retain, and grow business, diversify the economic base, and create job opportunities for all citizens.

Objective 3: Develop economic development strategies and tools that encourage responsible employment practices, environmental stewardship, affordable housing, high quality of life, and return on investment that produces societal benefits.

Employers realize that they need to be located in places that offer amenities desired by the talent pool they wish to hire. In addition to company offered amenities, employers often tout their locations. When the Bikeshare Feasibility Study was completed in 2014, 42.3% of jobs in Raleigh were located in the Phase 1 area for bikeshare. In addition to being located near restaurants, music venues, museums, and other destinations, employers also tout the convenience of transportation options within and near downtown Raleigh. Bikeshare, in addition to being an attraction itself and providing visitors a fun and accessible way to explore the city, will also service as a mobility option for downtown workers for lunch, running errands, and commuting for those living in neighborhoods near bikeshare stations. Bikeshare is attractive to both employers and employees as it is seen as a quality of life amenity in addition to being a viable mobility option.

Social and Economic Vitality: Improve economic and social opportunities in vulnerable communities through strategic partnerships.

Objective 2: Develop a comprehensive approach to addressing the needs of Wake County’s most vulnerable regions and communities to improve the overall wellbeing of their residents.

Bikeshare stations will be located in areas east and south of downtown, increasing transportation options for nearby residents. When bikeshare programs first started being implemented in U.S. cities, it was quickly realized that lower income residents were not taking advantage of a program cities assumed they would benefit from. It was clear that the outreach, membership levels, and payment options were not meeting the needs of segments of cities’ populations. Raleigh has the benefit of not being one of the first cities to implement such a system therefore, we can benefit from the changes that have been made in other cities and the best practices that have emerged to increase bikeshare usage and ensure an equitable bikeshare system. As an estimated 28% of station locations will be in or adjacent to low income areas, the City will be partnering with community groups to ensure those who want to access bikeshare can.

Mobility: *Create a sustainable, regional transportation system that offers choices to meet local needs.*

Objective 2: *Work with municipalities and other transit partners to maximize the opportunities and infrastructure around transit and bicycle/pedestrian networks.*

Since the adoption in 2009 of the City of Raleigh's Bicycle Plan, the local level of commitment to bicycling has only increased. The City developed and branded the "BikeRaleigh" program, and we have implemented programming and facilities that raise the profile of biking as a viable form of transportation, in addition to being an enjoyable activity on-road and off-road. Our accomplishments were nationally recognized in 2011 and again in 2015 when Raleigh was designated as a bronze-level Bicycle Friendly Community by the League of American Bicyclists. At the end of 2015, Raleigh completed the installation of 27 miles of bike facilities that included the first green lanes in Raleigh as a pilot project on three downtown streets. Implementing a bikeshare system is Raleigh's next step of promoting bicycling as a viable and connected form of travel.

Project Budget & Funding Sources

The City of Raleigh expects only public funds to be used for the capital costs for bikeshare installation; no private funds are anticipated in this stage of the project. As shown in **Table 1** below, the FY 2017 CIP for the City includes \$425,000 for bikeshare. Grant funding received from Wake County would reduce the City's contribution for capital costs only. The Project Operating Plan section explains that the City will be directly responsible for an estimated third of operating costs for the bikeshare system.

Funding Source	Amount	Status	Year of Commitment
Transportation Alternatives Program (TAP)	\$100,000	Committed	FY2016
NCDOT TAP match	\$25,000	Committed	FY2016
Congestion Mitigation & Air Quality	\$1,548,800	Committed	FY2017
City of Raleigh CIP	\$225,000	Committed	FY2017
Wake County	\$200,000	Anticipated	FY2017
Funding Total	\$2,098,800		

Table 1: Funding sources

Table 2 shows the breakdown of anticipated capital costs for bikeshare. Site planning, administration, and labor & equipment estimates of \$6,000 per station are included in the estimated cost for capital purchase and installation shown below. These estimates are from the Raleigh Bikeshare Implementation Plan completed in 2014 for the City of Raleigh by Toole Design Group.

The bikeshare station locations in Phase 1 are all on City owned streets to avoid potential complications and delays that could come from siting and installing stations on North Carolina Department of Transportation roadways. Bikeshare stations will either be installed on wide sidewalks, concrete pads located behind the curb, or on-street in areas near intersections where bollards or other features will provide separation from motor vehicle traffic. Bikeshare station locations will not impact existing infrastructure. Users of bikeshare will use streets for travelling and will be responsible for operating the bikes as any bicyclist should. They will have little impact on vehicle traffic and negligible impact on roads.

Raleigh Bike Share	
Projected Annual Ridership & Capital Costs	
	Year 1
Stations	30
Bikes	300
Docks	510
Membership and Ridership	
Live annual members	670
Members per bike	2.2
Member rides	7,492
Casual rides	18,485
Total rides	25,978
Casual members	10,270
Trips / Bike / Day	0.2
% Rides Casual	71.2%
% Rides Annual	28.8%
Capital & Installation Costs Phase 1	
Capital Costs per Station	
Average cost per 17-dock / 10-bike station	
Shipping, customs, spare parts, system keys and stickers	
Total Average Equipment Cost per Station	\$ 55,000
@30 stations:	\$ 1,650,000
Installation Costs per Station	
Site Planning	\$ 2,000
Administration	\$ 500
Labor + Equipment	\$ 500
Total Installation Cost per Station	\$ 3,000
Total Average Installation Cost per Station	\$ 6,000
@30 stations:	\$ 180,000
Total Phase 1 Capital Purchase + Installation	\$ 1,999,690.41



Project Information Data Sheet
LOCAL PROGRAMS MANAGEMENT OFFICE
1595 MAIL SERVICE CENTER
RALEIGH, NC 27699-1595

DIRECTIONS: Submit completed form with attachments to Local Programs Office

DEMOGRAPHIC INFO			
Name of Entity	CITY OF RALEIGH		
MPO/RPO *	Capital Area MPO (Raleigh)		
Type *	Municipality		

CONTACT INFO - Agreements			
Name	Todd Delk		
Title	Senior Planning Engineer		
Address	PO Box 590, Raleigh NC 27602		
Phone #1	9199962661	Phone #2	9195162681
Email	todd.delk@raleighnc.gov		

CONTACT INFO - Project Delivery			☐ Same as Agreements
Name	Aaron Hair		
Title	Project Engineer - Public Works		
Address	PO Box 590, Raleigh NC 27602		
Phone #1	919-996-5589	Phone #2	
Email	aaron.hair@raleighnc.gov		

CONTACT INFO - FFATA Reporting			☐ Same as Agreements	☒ Same as Project Delivery
Name	Aaron Hair			
Title	Project Engineer - Public Works			
Address	PO Box 590, Raleigh NC 27602			
Phone #1	919-996-5589	Phone #2		
Email	aaron.hair@raleighnc.gov			

PROJECT INFORMATION			
Project Name *	Raleigh Bikeshare		
Detail Description*	Design, procurement, and implementation of 30 stations and 300 bicycles for Raleigh Bikeshare system		
County *	WAKE	Division	05

PROJECT DATA	
TIP *	C-5604OB
WBS Element - PE	43714.1.2
WBS Element - ROW	
WBS Element - CON	43714.3.4
Other WBS Element	
Federal-Aid #	CMAQ-0520(056)

ELIGIBLE PHASES	
PE	2016
Pre-construction Activities	☒
Implementation of a Program	☐
Non-construction Purchases	☐
ROW	Year Programmed
Acquisition of ROW	☐
Utility Relocation	☐
CON	2017
Construction, CEI, Contract Admin	☒

DELIVERABLES - Responsible Party	
ENVIRONMENTAL DOCUMENTATION	☒ LGA ☐ NCDOT
DESIGN	☒ LGA ☐ NCDOT
CONTRACT PROPOSAL AND ESTIMATE	☒ LGA ☐ NCDOT
RIGHT OF WAY DOCUMENTATION	☒ LGA ☐ NCDOT
UTILITY RELOCATION	☒ LGA ☐ NCDOT
FINAL ACCEPTANCE OF CONSTRUCTION	☒ LGA ☐ NCDOT
CEI/CONSTRUCTION ADMINISTRATION	☒ LGA ☐ NCDOT
MAINTENANCE	☒ LGA ☐ NCDOT ☐ BOTH

FUNDING						
FUNDING SOURCE	FEDERAL		NON-FEDERAL MATCH Should be state or local only, not both			
	Federal Amount	Fed %	State Amount	State %	Local	Local %
Transportation Alternatives Program	\$100,000.00	80%	\$25,000.00	20%	\$0.00	0%
Congestion Mitigation and Air Quality	\$1,548,800.00	80%	\$0.00	0%	\$387,200.00	20%
Select One						
Totals	\$1,648,800.00		\$25,000.00		\$387,200.00	

TOTAL PROJECT FUNDING	\$2,061,000.00
TOTAL ESTIMATED COST *	\$2,061,000.00
DIFFERENCE B/W FUNDING AND COST	\$0.00
TOTAL LGA LIABILITY	\$387,200.00

Delivery Dates	LGA Proposed	Division Approved
Start of ROW Acquisition (MM/DD/YYYY)*	10/31/2016	
Let Date (MM/DD/YYYY) *	08/01/2016	
Completion Date (MM/DD/YYYY) *	07/31/2018	

COMMENTS
Reporting contact TBD with departmental reorganization

AGENCY AUTHORIZING ☒ I have read and accept the terms and conditions for funding and all the information and attachments supplied in this application are true to the best of my knowledge.

Project Timeline

	March, 2016										January, 2017				August, 2017			
Critical Path Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Decision on governance structure and funding plan- COMPLETE																		
Identify funds for system installation, equipment and operations, including sponsorship- IN PROGRESS																		
Develop procurement documents- IN PROGRESS																		
Issue Request for Proposals for equipment and/or operations																		
Award and sign contract for equipment and/or operations																		
Site planning and community outreach																		
System manufacture, preparation for operations, installation and launch																		

Project Operating Plan

Of the bikeshare operations in U.S. cities, the most common operating models are: systems owned by cities and operated by a private contractor, non-profit owned and operated, or privately owned and operated. The city-owned and privately-operated system is the model Raleigh will use. In this structure, the City will be responsible for raising capital and operating funds and will own the system infrastructure, including the stations and bikes.

A City-owned system:

- maximizes the City of Raleigh's control over all aspects of the system – from creating a financially sustainable system to meeting the specific goals outlined in the Feasibility Study;
- allows for the most time-efficient mobilization of a bikeshare system;
- leverages the organizational interest and capacity that currently exists in the City;
- leverages the significant funding potential for the City;
- brings in private operations to maximize system quality and maintenance;
- lowers the implementation risk, as many cities around the country have successfully implemented this structure; and
- leverages the public relations capabilities and local partnerships held by the City to maximize the economic benefit of bikeshare to the City and Wake County.

Sponsorships and advertising are important elements of most U.S. bike share systems. Raleigh expects to secure sponsorships to help fund bikeshare operating costs and has looked to other cities to see what levels of sponsorship and advertising it is possible to achieve. The graphic at the end of this section includes examples of sponsorship levels, with the following descriptions highlighting examples from other cities:

- Title sponsorship: includes branding of all elements of the system including name, color, and representation on all sponsorship elements including at the station, on the bikes, on electronic media, and all other components. Title sponsorship has only been achieved in a few systems around the world – New York (Citi Bike) and London (Barclay's Cycle Hire), which garner values upwards of \$1,000 per bike per year in those markets.
- Presenting sponsorship: in these systems, branding is already developed, e.g. the bright colored bicycles and the name Nice Ride Minnesota in Minneapolis. A single sponsor (such as in Minneapolis or Boston) or multiple sponsors (such as in Montreal) purchase the right for system-wide logo placement, typically on all bicycle fenders or at all stations, and may negotiate for other sponsorship elements. In Minneapolis, Blue Cross Blue Shield has their logo and colors on every bike fender as well as placement on the program website and other media. However, other sponsorship opportunities are available to other organizations and bike and station sponsors can augment larger presenting sponsors. Presenting sponsorship garners in the order of \$400 to \$600 per bike per year.

- Individual sponsorship offerings: in this model sponsorship offerings are broken into individual elements and sold off to many smaller sponsors. This is often the model followed in the interim prior to presenting sponsorship (such as in San Antonio), but may also suit markets with smaller capacity or a desire for broader community support (such as in Boulder).

The City realizes that sponsorship will be required to support the bikeshare system and looks forward to announcing partnerships with businesses as bikeshare sponsors. We anticipate local companies being interested in sponsoring stations and larger sponsors (perhaps wanting to get exposure in the student and new resident market) interested in larger presenting sponsorships.

The following are assumptions the City has regarding covering the shortfall between user generated revenue and bikeshare operating costs.

- Sponsorship will be an important source of operating funds. Realistically, based on rates obtained in other cities, sponsorship could be expected to generate up to \$600 per bike per year (\$180,000 per year on the Phase 1 system) for title or presenting sponsorship, or approximately \$900,000 over five years.
- Some stations could be funded through direct contributions from private foundations, large employers, business districts, large campuses, developers and interested businesses. Likely, these deals will need to be incentivized with group or discounted membership for employees of these organizations, or providing sponsorship presence on the stations and bikes that they have purchased.
- Private partners could be sought, such as large employers, business districts, large campuses, developers and interested businesses to take part in group or discounted memberships and sponsorship opportunities. Such sponsorship could bring in \$5,000 to \$10,000 per station per year. Assuming the low end of the rate (\$5,000 per station per year) and a 50 percent uptake rate, station sponsorship could generate \$75,000 per year or \$375,000 over five years on the Phase 1 system.
- Local public funding through the City may also be required to fill any operational funding gap.

Sponsorship Examples

	Station	Bike	Bike Detail	Website / App	Membership Key
TITLE SPONSOR Example: New York City					
PRESENTING SPONSOR Example: Minneapolis					
INDIVIDUAL SPONSOR Examples: Denver Madison Miami Beach San Antonio					

Raleigh Bike Share

Annual Ridership and Financial Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Stations	30	30	45	50	50	50	50	50	50	50
Bikes	300	300	450	500	500	500	500	500	500	500
Docks	510	510	765	850	850	850	850	850	850	850
Membership and Ridership										
Live annual members	670	838	1,462	1,689	1,858	2,272	2,594	2,917	3,240	3,562
Member rides	7,492	15,389	22,972	31,035	34,139	43,159	49,290	55,421	61,552	67,684
Casual rides	17,458	19,839	31,478	33,065	33,065	40,043	45,249	50,456	55,663	60,869
Total rides	24,951	35,228	54,450	64,100	67,204	83,201	94,539	105,877	117,215	128,553
Casual members	10,270	11,670	18,516	19,450	19,450	23,554	26,617	29,680	32,743	35,805
% Rides Casual	70.00%	56.30%	57.80%	51.60%	49.20%	50.36%	53.12%	49.80%	47.00%	51.30%
% Rides Annual	30.00%	43.70%	42.20%	48.40%	50.80%	49.64%	46.88%	50.20%	53.00%	48.70%
Operations										
Total Bike Share Operating Costs	\$475,405	\$652,889	\$1,008,714	\$1,154,417	\$1,189,050	\$1,224,722	\$1,261,463	\$1,299,307	\$1,338,286	\$1,378,435
<i>Total is for Phase 1 & 2</i>										
Revenues										
Total System Revenues	\$183,646	\$215,467	\$352,362	\$383,102	\$396,925	\$416,405	\$428,897	\$454,757	\$481,783	\$496,237
User Fee Recovery	39%	33%	35%	33%	33%	34%	34%	35%	36%	36%
Operations Fundraising Need										
Total Operating Fundraising Need	(\$291,759)	(\$437,422)	(\$656,352)	(\$771,315)	(\$792,125)	(\$808,316)	(\$832,566)	(\$844,550)	(\$856,503)	(\$882,198)
<i>Total is for Phase 1 & 2</i>										



CITY OF RALEIGH NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



Report of Independent Auditor

To the Honorable Mayor and
Members of the City Council
City of Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raleigh, North Carolina (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4.G to the basic financial statements, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, net positions as of June 30, 2014 of the governmental and business-type activities, and fund balance of the proprietary fund have been restated. Our opinion is not modified with respect to this matter.

As discussed in Note 4.G to the basic financial statements, effective July 1, 2014, the City adopted an alternate accounting principle related to the accounting treatment and reporting of long-term loans receivable which it believes are preferable to the principles which were replaced. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act, and is also not a required part of the financial statements.

The combining and individual fund statements and schedules, as listed in the table of contents, and the accompanying schedule of expenditures of federal and state awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cherry Beckett CP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 28, 2015

Estimates on Visitors

The table on the following page is a seven year average of visitor estimates and return on investment for bikeshare. The estimates show a positive return on investment in bikeshare for Wake County. The seven year total economic impact in the form of total taxes collected is \$111,524. The City estimates that there will be an additional 2,907 day visitors and 7,867 overnight visitors to Raleigh as a result of bikeshare. There will be an estimated 1,850 overnight visitors as well.

Bikeshare Visitor Estimates and Return on Investment

Visitor Estimates, Economic Impact & Taxes Collected

1. Estimated Wake County Residential Visitors (annual)= 1,744

<u>Estimated Food & Beverage Spending & Taxes Collected</u>							
	Number of Visitors			Meal Rate	Meal Spending		
-							
2. Estimated Day Visitors (annual)	2,907	x		\$50	=	\$145,350	
3. Estimated Overnight Visitors (annual)	7,867	x		\$50	=	\$393,350	
		4. Total Meal Spending			=	\$538,700	
						x	1% Food & Beverage Tax =
							\$5,387

<u>Estimated Overnight Rooms & Taxes Collected</u>							
	Number of Visitors			Room Rate	RoomSpending		
5. Estimated Overnight Rooms (annual)	1,850	x		\$95	=	\$175,750	
		6. Total Room Spending			=	\$175,750	
						x	6% Occupancy Tax =
							\$10,545

7. Return on Investment based on taxes collected (County funding/total taxes collected)=

13 (in years)

Organizational Information

The City of Raleigh is a Council-Manager form of government with over 40,000 full time employees. As of July 1, 2016 the City will have a newly formed Department of Transportation that will oversee the implementation of bikeshare. Such offices as Transportation Planning, GoRaleigh, and other streets-related responsibilities will be combined in a single new department. This resulting organization will benefit bikeshare implementation and operation as it combines experienced planners, designers, and engineers into a single department. It also will allow for the coordination of bikeshare with transit for first mile/last mile connections and engineering with the continued implementation of bike facilities.

The Department of Transportation will be overseen by the new Director who will report to the Assistant City Manager for Services. The Office of Transportation Planning will be implementing the bikeshare system, with the Bicycle and Pedestrian Program Manager serving as the project manager. During design and installation, the project manager will coordinate with numerous city offices for station siting, utility coordination, permitting, etc. It is anticipated that the following departments, at a minimum, will have a role in bikeshare:

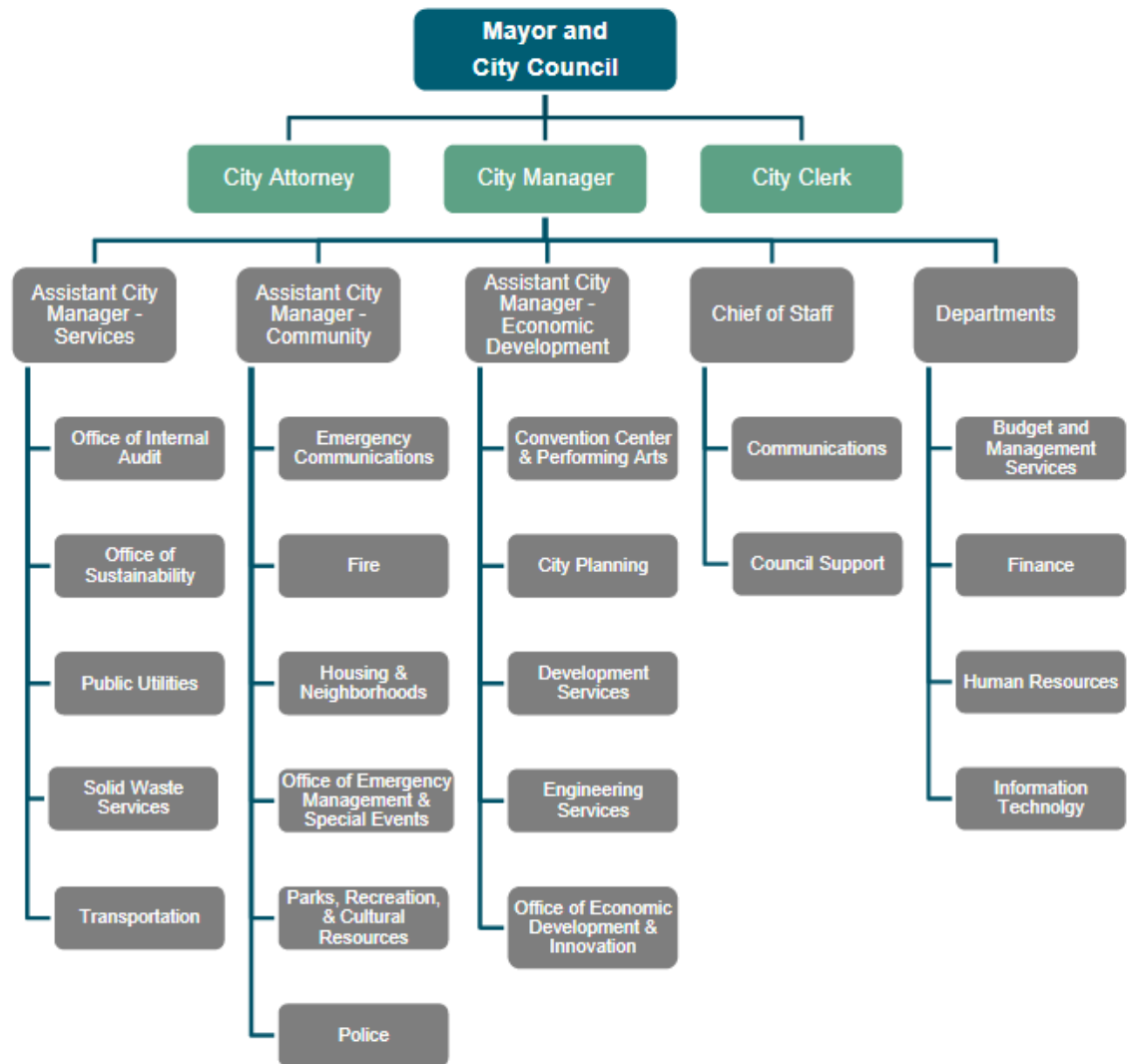
- Development Services
- Budget & Management Services
- City Planning
- Parks, Recreation, & Cultural Resources
- Public Utilities
- Engineering Services

With the installation in 2015 of 27 miles of bike facilities as a single contract, the City of Raleigh and its Department of Transportation staff have experience with large-scale projects that enhance bicycling. That project was completed with a CMAQ grant through CAMPO, which is the same funding source that is being used to deliver the bikeshare system. Our staff has experience administering federally-funded projects and adhering to the requirements that come with this type of funding.

The City of Raleigh is a financially sound organization and does not have any conflict or regulatory action against it that would prohibit or interfere with this project or our partnership with Wake County.

The following pages contain the organization chart for the City of Raleigh and the bikeshare implementation team.

City of Raleigh Organization Chart



Bikeshare Implementation Team

