



BIKE CHATTANOOGA

FIRST YEAR OF OPERATIONS





I LOVE THAT I CAN WALK OR DRIVE INTO DOWNTOWN AND SIMPLY CHECK OUT A BIKE FOR ANY REASON, FROM SPEEDING UP MY WALK FOR A COUPLE BLOCKS WHEN I'M IN A HURRY TO GOING FOR A LONG, LEISURELY RIDE IN THE RIVERPARK,

A BIKE CHATTANOOGA MEMBER

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YEAR IN PERSPECTIVE

Bike Chattanooga became the first bicycle share system in the Southeast when it launched in July 2012 in downtown Chattanooga, Tennessee. Launching with 28 stations and 300 bicycles, it is currently operating with a total of 31 stations. Riders can conveniently ride around and about downtown Chattanooga, from the North Shore to the Southside, and the University in the east to the Convention Center in the west. Bike Chattanooga was the largest bike share program to launch in the United States in 2012.

Bike Chattanooga Bicycle Transit System originated through the Chattanooga Area Regional Transit Authority (CARTA) with the support of the City of Chattanooga. It is now managed by Outdoor Chattanooga, which is a division of the Department of Economic and Community Development. The City contracts with Alta Bicycle Share, a Portland-based company that specializes in installing, operating, and maintaining bike share systems around the world.

In its first year of operations, Bike Chattanooga was very successful. The system enrolled close to 700 annual members and was enjoyed by almost 9,000 24-hour users. The system experienced 32,000 trips, a potential savings of approximately 18,000 pounds of carbon dioxide, burning an estimated 3.4 million calories, and saving approximately 1,200 gallons of fuel. The peak day came on May 27, 2013 with 477 rides during the Volkswagen USA Cycling Professional Road & Time Trial National Championships.

The first year's numbers are even more impressive considering the challenges faced. Bicycle transportation is a relatively new concept for many residents and visitors. In addition, the system's original launch was delayed due to the introduction of a new software platform by equipment supplier, PBSC Urban Solutions. Following launch, continued development of the system resulted in performance issues which may have impacted customer satisfaction.

Bike Chattanooga benefited tremendously from exciting and successful marketing activities. From events to member discounts to information sharing campaigns, Bike Chattanooga's marketing team developed various strategies to educate the public and generate annual and casual riders. Usage is rising, and the future looks bright for the continued success of Bike Chattanooga in years to come.

After the first year in business, Bike Chattanooga has a better understanding of the future financial requirements necessary to operate the system on a day-to-day basis. While costs have been well-managed, the user revenues and sponsorship dollars have been less than projected. The Bike Chattanooga team is optimistic that the marketing and sponsorship efforts will continue to improve.

All in all, Bike Chattanooga provided Chattanooga with a new way to navigate the City for residents and tourists. The team continues to find ways to improve the operations and marketing while the usage continues to grow.

This report covers the first year of Bike Chattanooga. Since the system launched towards the end of July 2012, the analysis reflects August 2012 – July 2013.





1200

Gallons of fuel saved



18K

Pounds of carbon dioxide saved



3.4

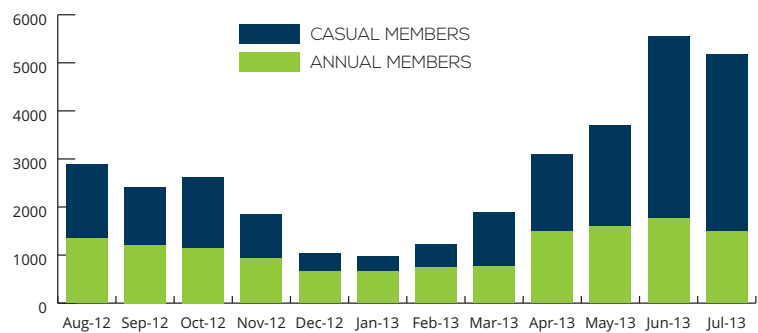
Million calories burned

BY THE NUMBERS

Bike Chattanooga's success in its first year of operations is clearly shown in its numbers.

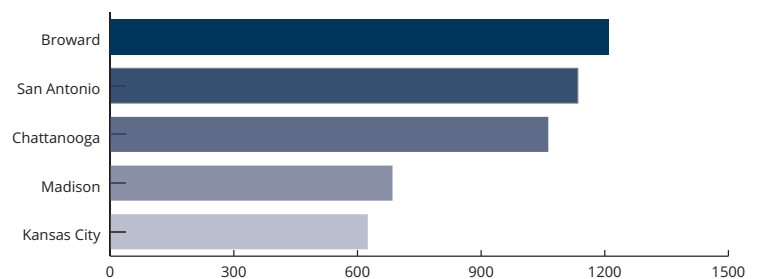
With over 20,000 miles traveled, residents and visitors to Chattanooga have traveled enough distance on Bike Chattanooga to almost bike around the planet Earth! As shown in Figure 1 below, the use of the system is highly correlated to the seasons. The winter months had the lowest usage, while the recent summer months have seen the highest usage – with June 2013 having over 5,500 trips!

Figure 1 – Bike Chattanooga Number of Trips



In its first year of operations, Bike Chattanooga had just over 1,000 trips per station. As shown in Figure 2, this puts Chattanooga right in the middle of its peers. This is especially impressive since Chattanooga has the lowest city population out of all of these peer cities².

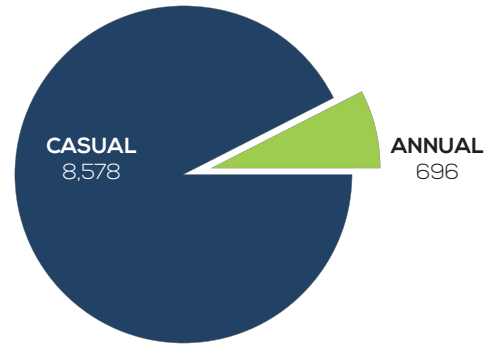
Figure 2 – Peer Comparison: Number of Trips Per Kiosk in First Year of Operations¹



¹ Source: Nashville B-Cycle Monthly Report (July 2013)

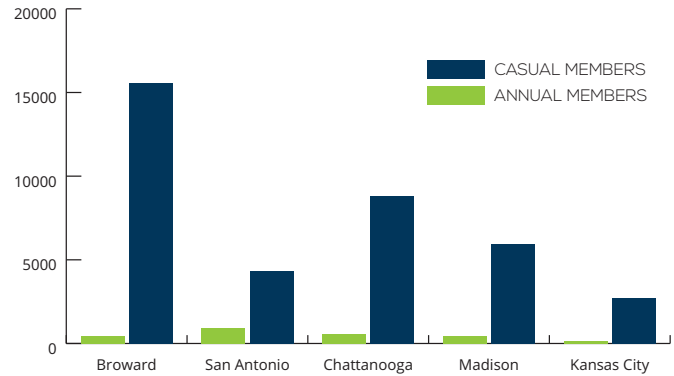
² U.S. Census Bureau, 2012

Figure 3 – Bike Chattanooga Membership



Bike Chattanooga appeals most to the casual rider – mostly tourists. As shown in Figure 3, casual riders comprise the majority of the new members. Of the 8,578 casual members, just over 30% of them live within 30 miles of Chattanooga.

Figure 4 – Peer Analysis: Membership Composition in First Year of Operations³



This ratio of casual to annual members is pretty comparable with Chattanooga's peers. As shown in Figure 4, the other systems have also had much more success with casual riders.

³ Source: Nashville B-Cycle Monthly Report (July 2013)

Table 1 shows the top five Bike Chattanooga starting and ending stations. These key stations highlight the most frequently visited areas of Chattanooga, not only by visitors but locals alike.

Table 1 – Top Bike Chattanooga Starting and Ending Stations

Rank	TOP STARTING STATIONS	TOP ENDING STATIONS
1	200 River St Outdoor Chattanooga	200 River St Outdoor Chattanooga
2	100 Walnut St	100 Walnut St
3	100 Manufacturers Rd	100 Manufacturers Rd
4	Market St & E 14th St	215 Broad St
5	215 Broad St	Market St & E 14th St

The top starting and ending station, Outdoor Chattanooga, provides access to Downtown and it is within Coolidge Park, which provides riders with access to the river front pathways and the north shore business district. Coolidge Park connects into Renaissance Park, which is the third most popular station. These two parks are joined together by a nicely paved area used for walking and biking and it is close to the Chattanooga Riverboat. The fourth most utilized station is located in front of the Historical Chattanooga Choo Choo on the Southside. This area has been a fast growing part of downtown offering sustainable urban neighborhood with various housing options, parks, restaurants, retailers, grocers and small businesses to both locals and visitors. The fifth most popular station is located in the Art District, which features The Hunter Museum, an outside sculpture garden, bed and breakfast inn, small quaint coffee shop and bakery, and local restaurants. It is also located on the well-known Riverpark.

It should be noted that the Hubert Fry station was launched in May 2013 and has proven one of the more popular stations for both annual and casual members. This station is just over 5 miles away from the High Street station, so it provides a scenic, easy-paced ride to town.





PUT YOUR OWN SPIN ON IT

Chattanooga boasts over 90 miles of bike lanes, bike routes, and greenways, including a more than 15 miles of constructed river walk⁴ leading *Bicycling Magazine* to list Chattanooga as one of America's top 50 bike-friendly cities in 2012.

⁴ REGIONAL BICYCLE & PEDESTRIAN PLAN Existing Conditions Technical Memorandum 1

SYSTEM REVIEW

The success of Bike Chattanooga's first year is due to a combination of factors: well-run operations, creative and well-implemented marketing initiatives, effective customer service, and careful management of the finances. Each of these areas is described in more detail below.

OPERATIONS

Bike Chattanooga's operations team ensures that the bike share system is safe (first and foremost) and fully operational 24 hours a day and 7 days a week.

Safety: In the first year, there were two reported crashes; however, they were never acknowledged by the members (a third party reported the incidents). These were all reported within 24 hours of the incident occurring. Additionally, there were no safety incidents internal to Bike Chattanooga.

Maintenance: Inspections of the bikes and the stations have happened at least once and twice a month, respectively. After the first few months of system operation, there were, on average, less than 4 bikes/month requiring repair. Broken bikes were removed from service within 24 hours and graffiti was removed within that same timeframe. Additionally, the team provided re-balancing services from 7 am to 7 pm daily to ensure no stations were full or empty for more than three hours.

Miscellaneous: The Bike Chattanooga team always looks for creative ways to address challenges. One example of this was the recent use of a hydraulic trailer instead a crane to move a station. The team was able to move and install stations just as effectively as with a crane; however, with much less cost. Other bike share systems have learned from the Bike Chattanooga Team's creativity and are now doing the same.



THE OPERATIONS TEAM'S
USE OF A HYDRAULIC
TRAILER PRESENTS
A **COST-EFFECTIVE**
APPROACH TO
DEPLOYING STATIONS.

FINANCE

Bike Chattanooga was financed in Year 1 through federal grants, user revenues, advertising, and sponsorship. The operating costs and revenues associated with the first year of operations are described in more detail below.

Costs

The cost to operate Bike Chattanooga is approximately \$44,000/month. These costs include the following:

- Direct labor, which includes the salaries and benefits for the management staff, mechanics and re-balancers;
- Indirect labor, which includes the time invested by corporate staff, including Information Technology (IT), Marketing, Human Relations (HR), and Public Relations (PR);
- Marketing and Public Relations, which includes the salary and benefits for the marketing manager in addition to website support and any marketing materials;
- Call center and software licensing, which reflects the payment to PBSC for call center support and access to the bike share management software;
- Operating equipment, which includes any vehicle or equipment support needed;
- Professional fees, which includes accounting, legal, and payroll services;
- Office and facilities; and
- Insurance.

Revenues

Total revenues for the first year of operations were approximately \$725,000. Revenues for the system come from three primary sources: user revenues, sponsorship and advertising fees, and CMAQ funding.

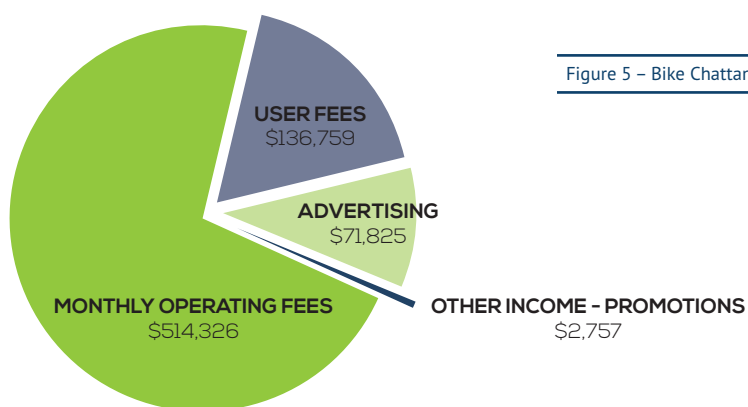


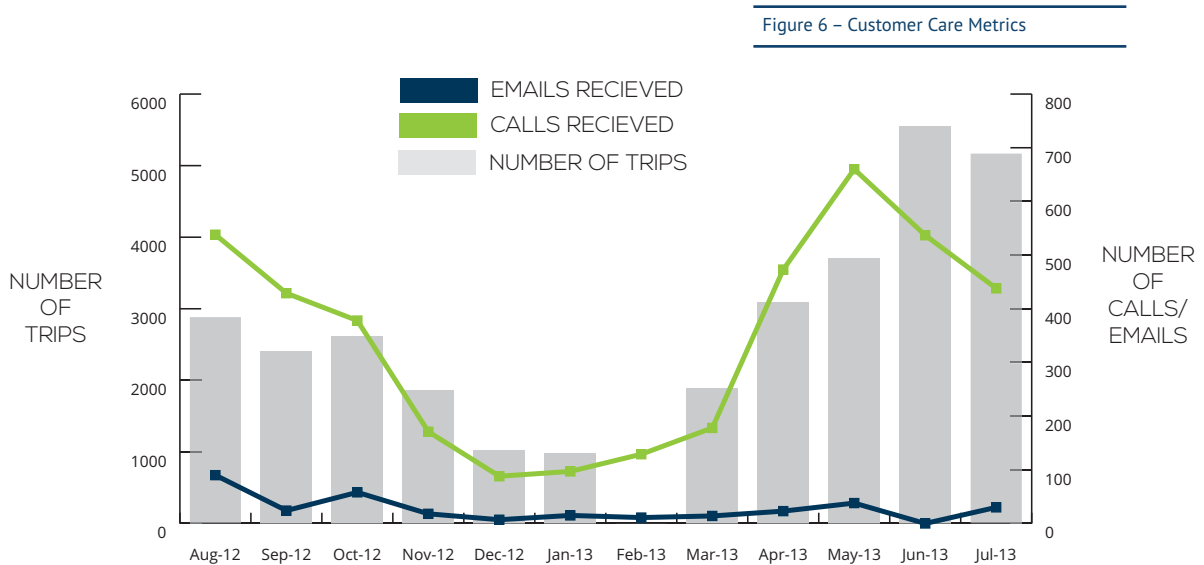
Figure 5 – Bike Chattanooga Year One Revenues

Each of the revenue sources are described here:

- **CMAQ Funds:** The City has funded Bike Chattanooga with a Congestion Mitigation and Air Quality (CMAQ) grant.
- **User Revenues:** Riders have several options for fares, including Annual Memberships, Corporate and Community Partner Memberships, 24-Hour Access Passes, and Conference Memberships. In the first year of operations, the system generated over \$135,000 in user revenues, which also includes overage fees.
- **Advertising and Sponsorship Revenues:** Alta Bicycle Share contracted with River Road Group, a Chattanooga-based firm currently under contract with CARTA, to identify sponsors and advertisers. In the last year, a few organizations became sponsors, the largest of which being the Tennessee Aquarium and Blue Cross Blue Shield of Tennessee.
- **Other Promotions:** The Bike Chattanooga marketing team generated over \$2,500 in other promotions. This included a partnership with Volkswagen over Memorial Day Weekend, the sale of 100 24-hour passes to Chattanooga Hotel, and other comparable promotions.

CUSTOMER SERVICE

Customer service is an integral part of a successful bike share system and Bike Chattanooga has taken this to heart. Riders can receive communications about the system via the website, Facebook, and Twitter. Moreover, they can call in to the call center whenever they have questions or issues. Figure 6 below shows the number of calls and emails received by the members. While email usage was minimal, the call center usage trend mostly follows the usage trends outlined earlier. The decreasing trend in the summer months (a high ridership time) reflects riders' increasing familiarity with the system.



MARKETING

Bike Chattanooga's Marketing Team has led a very active year of marketing. From events to member discounts to information sharing campaigns, the Marketing Department has developed various strategies to generate annual and casual riders.

Events: Over the course of the first 12 months, the Marketing Team has led or participated in 74 events. These events included information sharing, demonstrations, and free-give ways with the focus on generating new members and educating existing and potential members on how the system works. Events included the following:

Launch event

- Launch event
- Numerous health fairs
- Free music events downtown
- Hotel employee training sessions
- Bike2Work breakfasts
- Riverfront nights
- RiverRocks
- New Belgium Bike Ride
- Chattanooga Market
- NightFall
- One-year birthday celebration
- Bike2Work Day
- Hubert Fry Center Ribbon Cutting Ceremony
- VW USA Pro Championship
- UTC New Student Orientation
- Discounted membership sales events

Online Marketing: A review of Google analytics and social media statistics found that Bike Chattanooga rates very well for its brand name and for transportation related queries. Bike Chattanooga's Facebook page received 1,895 likes in the first year of operation and its Twitter page had 1,755 followers. Additionally, the website had approximately 2,800 average hits every month. While there's positive momentum in the organization's online presence, this presents a great opportunity for improved publicity – especially with regards to reaching the younger demographics.

Corporate Memberships: Corporate Memberships were originally rolled out in July 2013, a later start than planned due to the systems software issues. As of the end of the first year, Bike Chattanooga had two Corporate Partners: Volkert and Chattanooga Chamber of Commerce. Many more businesses were approached regarding this employee benefit and these efforts will continue in the second year of operations. As more users learn the system and the popularity grows, the corporate

membership sales are expected to grow as the companies better understand the benefit it has on their employees.

Conference Passes: In June 2013, Bike Chattanooga rolled out a special 7-day pass for \$20 intended for conference attendees. This special included a member key and map, which allowed members to walk directly up to the bike dock, insert their member key, and enjoy the system (as opposed to using a credit card, which is how most casual users access the system). Limited interest to date has been shown in this new membership type.

Student Outreach: With five stations located on or adjacent to the University of Tennessee at Chattanooga (UTC), considerable effort went into trying to enroll students as annual members. Bike Chattanooga held over sixteen promotional events during the 2012/2013 school year. In addition to offering a discounted membership of \$30, students were given the opportunity to demo the system, ask questions, and receive free 24 hour passes. Additionally, they were entered into giveaway drawings. As part of the student outreach, Bike Chattanooga participated in UTC Green Week, their health fair, and numerous other campus groups' gatherings. Despite all of these efforts, very few students purchased memberships. In the future, Bike Chattanooga intends on working with new student organization leaders and connecting with parents as they enroll their children in the university. Education and a "cool" presence throughout campus are key to the success of Bike Chattanooga at UTC.

Media Attention: Bike Chattanooga has gained momentum in the media from the very beginning. While some initial publicity related to the launch delay and software glitches was negative, the majority of the news since has been overwhelmingly positive – especially during system milestones and then being recognized as the largest Bike Share to launch in 2012 in the US. Recently, Bike Chattanooga also received significant publicity as the system celebrated its 1st year anniversary; Most recently, the media is focused around the financials of the system. Overall Bike Chattanooga is widely accepted and appreciated around the community by members and visitors alike.

Partnerships: During Memorial Day weekend, Volkswagen sponsored free day passes for visitors and residents. Bike Chattanooga has also worked with local bike shops to offer discount on helmets and they've supported non-profits to supply free advertising space for fundraisers in exchange for advertisement, Bike Chattanooga has also donated Annual Memberships to local nonprofits for door prizes in exchange for exposure.

LOOKING FORWARD

Bike Chattanooga's first year proved to be a successful beginning; however, it also provided a year of experience and lessons learned for future years. The following list presents suggestions for how the team, the City, and other stakeholders can work together to be an even more effective transit system in the years to come:

- Expand the system! The more bikes and stations available to users (especially when placed in desirable locations) can only add to the appeal of the system. Bike Chattanooga looks forward to many years of growth – both in size and usage!
- Use the System. People that live in or near the City of Chattanooga could be using the system more, and may be inspired to if they see their City leaders using Bike Chattanooga too. We have stations near City Hall, the Development Resource Center (DRC), and several other public meeting places – let's encourage our City leaders to promote the system by using it.
- Improve upon the City's biking infrastructure. Countless studies have proven that people are more likely to ride bikes when roads are "cycling friendly." This includes added traffic calming measures and more bike lanes, amongst other treatments.
- Integrate bike sharing into the City's transportation strategy. Consider bike share within the City's overall transportation strategy, specifically within future analysis of pricing parking and transit in order to incentivize bicycle usage.
- Alter the sponsorship strategy. As Bike Chattanooga continues to seek more system and station sponsors, the team will consider altering the pricing and incentive structure to appeal to a broader list of organizations.
- Add more partnerships. Bike Chattanooga can establish more partnerships with local business, so annual members receive discounts by showing they're a member. This can incentivize more people to become annual members and provide advertising for local shops.

The Alta Bicycle Share and Bike Chattanooga Team are very proud of the last year of success and we're looking forward to many more successes to celebrate in the years to come!

THANK YOU

Bike Chattanooga owes its first year of success to the following organizations:



SYSTEM MAP



- 1 Ballpark
- 2 Battle Academy
- 3 Bessie Smith Cultural Center
- 4 Carousel
- 5 Chattanooga Chew Chew Canine Park
- 6 Chattanooga Choo Choo
- 7 Chattanooga Convention Center
- 8 Chattanooga Green
- 9 Chattanooga History Center
- 10 Chattanooga Pier
- 11 Chattown Skate Park
- 12 City Hall
- 13 Coolidge Park
- 14 County Courthouse
- 15 Creative Discovery Museum
- 16 Federal Building / Post Office
- 17 Finley Stadium
- 18 First Street Sculpture Garden
- 19 First Tennessee Pavilion
- 20 Fort Negley Park
- 21 Holmberg Bridge
- 22 Houston Museum of Decorative Arts
- 23 Hunter Museum of American Art
- 24 IMAX Theater
- 25 Jefferson Heights Park
- 26 Library
- 27 Main St. Shops & Restaurants
- 28 Marina
- 29 McKenzie Arena
- 30 Memorial Auditorium
- 31 Miller Park
- 32 Miller Plaza
- 33 NorthShore Shopping District
- 34 Outdoor Chattanooga
- 35 The Passage
- 36 Renaissance Park
- 37 Riverboat Attractions
- 38 Ross's Landing Park
- 39 Southside Galleries and Artist Studios
- 40 Tennessee Aquarium
- 41 Theatre Centre
- 42 Tivoli Theatre
- 43 TVA
- 44 University of Tennessee at Chattanooga (UTC)
- 45 Visitors Center
- 46 Walnut Street Bridge
- 47 Warehouse Row
- 48 2 NorthShore

Bike Chattanooga Service Area



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