



# TORONTO BIKE STATIONS AND LOCKERS:

Options for Non-Profit Operations

**Project Team:**

Project Lead: Nancy Smith Lea, Toronto Centre for Active Transportation

Researchers: Michelle Kearns, James Scott

Report Design: Yvonne Verlinden

**Cover Photo:**

Secure Bike Parking at Union Station (City of Toronto)

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# Introduction

Enhancing bike parking options is a crucial component of the City's efforts to increase cycling mode share. In 2013, 59% of Torontonians said that a lack of secure bike parking was the primary factor that dissuaded them from cycling. Both cyclists (at 88%) and non-cyclists (at 80%) agreed that there is a "shortage of secure bicycle parking in the city".

The City of Toronto, through Cycling Infrastructure and Programs (CI&P), currently operates all aspects of long-term bike parking, including user registration, fee collection, staffing, and maintenance. Currently, the City has bike stations in two locations, which offer a combined 292 spots, as well as 234 bike lockers in groups across Toronto. The current operations model has significant challenges including limited hours of operation, limited promotion, and a cumbersome registration process. Having a non-governmental organization (NGO) take responsibility for this operation, in full or part, was recommended as a worthwhile model for further research in a 2016 City of Toronto study. In 2017, the Toronto Centre for Active Transportation (TCAT) undertook a study to determine the feasibility of this model in Toronto.



Figure 1. Ring and post offers convenience for short-term stays, but not the security or weather protection desired for longer-term parking (Photo: Yvonne Verlinden)

## Project Summary

In response to current and anticipated growth of long-term bicycle parking in Toronto, the Toronto Centre for Active Transportation (TCAT) conducted a feasibility analysis for non-profit operation of bike stations and lockers. This approach would support the City's social procurement objectives and be an affordable method of operating long-term bicycle parking. TCAT took several steps to assess the feasibility of this strategy in Toronto: 1) a review of the operational requirements of existing and planned bike stations and lockers in Toronto, 2) a best practice review of existing models in other jurisdictions, 3) interviews with staff from two of these jurisdictions (Tempe, Arizona and Los Angeles, California), 4) interviews with staff from six local non-governmental organizations (NGOs) identified as candidates due to mission overlap or proximity to existing or planned bike stations, and 5) development of three scenarios for potential uptake in Toronto. The study found several successful international examples and considerable interest within the local non-profit sector. Since these facilities would not generate significant revenue for the operator, the recommended approach is a fee-for-service model in which the City contracts an NGO to operate one or more bike stations located in close proximity to the NGO. Union Station and Victoria Park bike stations are considered the most ideal existing facilities for this arrangement.

# Findings

## Best Practice Review

Through an international review of case studies and literature, five best practices for the operation of bike parking facilities emerged.

### 1. SECURITY AND STAFFING:

Having staff on-site at bike stations has higher perceived security than sites which are unstaffed. In order to maximize the number of staffed hours, some jurisdictions have shared staff with other venues that use the same space (such as stores or cafes). In Toronto's context, staff could fill a dual role by also providing programming.

### 2. FACILITIES AND REVENUE:

In order to recover operational costs and provide a benefit to bike station users, it is preferable to have retail services on-site if possible. Due to the limited space available in Toronto's existing and proposed bike stations, these retail services would likely not be as substantial as some bike stations in other jurisdictions. However, some sale of bicycle parts, repair services, food, or drink may be possible.

### 3. ACCESS:

For both bike stations and bike lockers, electronic access (such as key fobs, cards, or apps) provides more flexibility for both users and operators, and reduces the cost of administration. Toronto's bike stations currently have electronic access through the use of a key fob, however, bike lockers operated by CI&P have yet to be upgraded.

### 4. COST AND PAYMENT:

In order to provide equitable access to secure long-term bike parking, user fees should be kept low, and methods of payment should be as flexible as possible. A partnership with a socially-focused NGO may provide insight into administering bike stations and lockers equitably.

### 5. COMMUNICATION AND PROGRAMMING:

User support should correspond with facility access hours and be available in-person, by phone and by email. Bike stations should provide information regarding cycling and transit through maps, schedules, or route information. Bike stations can also be a hub for programming, an area of strong potential for a partnership with Toronto's NGOs.



Figure 2. McDonald's Cycle Centre in Chicago's Millennium Park offers secure storage as well as rentals, tours, lockers, showers, and bike repair (Photo: Diego Ibarra Argelery)

## Interviews with Other Jurisdictions

Interviews were conducted with staff from two jurisdictions (Tempe, Arizona and Los Angeles, California) where operational support is provided by an external vendor. The operator in Tempe is a non-profit bike shop, and in Los Angeles it is a for-profit organization. Interviews were conducted with municipal staff responsible for overseeing the bike stations (a Project Manager and Transportation Planning Manager at L.A. Metro bike station, and a Transportation Planner at the City of Tempe who oversees the bike station project). An interview was also conducted with the President of BikeHub, the for-profit operator of bike stations in Los Angeles, San Francisco, and Covina, California. Highlights from these interviews include:

- Both jurisdictions had a similar breakdown of responsibilities between the operator and the owner. The operator was responsible for all tasks with the exception of heavy maintenance. Neither operator was responsible for administering bike lockers. In L.A., the operator stated a preference for having direct access to security cameras, whereas this was not an issue in Tempe.
- The exact responsibilities of both the owner and operator(s) should be clearly defined in order to reduce instances of ambiguity between the parties. This potential problem and the need for a pre-emptive solution was anticipated by some of the local NGOs interviewed as well.
- A below-market rent can be used to offset the cost of operating a bike station in partnership with a for-profit organization. However, this can be more expensive than working with a non-profit unless the partnered organization has significant revenue potential on-site.
- In both jurisdictions, having an external operator take over operations was cited as beneficial.
- Both jurisdictions found that with the right location, outreach, and programming, it was possible to create a strong community hub at the bike stations.



Figure 3. The Bicycle Cellar, in Tempe, Arizona, is a non-profit bike shop that also offers secure bike parking with key card access, lockers and shower facilities (Photo: Bicycle Cellar)

## Interviews with local NGOs

All six NGOs interviewed expressed interest and reported the following capacity:

- Five of the six demonstrated skills to provide bike repair.
- Two were interested in operating sites outside of their current area of operations.
- Only one NGO interviewed had notable experience in revenue generation. However, four of the five remaining NGOs were willing to expand their operations to address this.

The key points that would make operations worthwhile for the NGOs were:

- Programming opportunities (all six).
- Revenue generation, either through City fees or sales (four of six).
- Job placement opportunities for local youth (two of six).
- A preference for a fee-for-service model over a licensee model and that they were prepared to form partnerships with other NGOs for operations (all six).
- The location of the site is important for the majority of the NGOs.

# Three Operation Scenarios

## Scenario 1:

A non-profit assumes operation of all bike lockers and bike stations

In the simplest model of NGO-operation, one NGO assumes responsibility for CI&P's long-term bike parking system, including on-site maintenance and administrative duties of both bike stations and bike lockers. However, it may be difficult to find an NGO with sufficient capacity to take this on.

## Scenario 2:

A non-profit contractor coordinates with multiple NGOs for on-site operations

This model solves the capacity challenges described in Scenario 1 and allows NGOs with smaller capacities to operate only the facilities that may be the most beneficial to them, for reasons of space, location, or staff requirements. Of the three, this is the most cost-effective option for the operator.

## Scenario 3:

A for-profit contractor coordinates with one or multiple NGOs for on-site operations

Scenario 3 establishes the same oversight system as Scenario 2, but with a for-profit contractor. All coordination of the multiple NGOs and the operation of a user-facing administrative system can be left to the for-profit that may be an established organization with experience in bike parking. The expertise that an established bike parking operator would bring may lessen costs that would be associated with an NGO in Scenario 2 working to develop their own systems of coordination. However, the for-profit operator would need to assume financial responsibility for rent, utilities, maintenance, and IT.



Figure 4. A bike station in Oakland, operated by BikeHub on behalf of Bay Area Rapid Transit, offers free daytime bike parking and overnight parking for a small fee, as well as bike maintenance and accessories (Photo: BART)

## Feasibility of Options

With locations in the downtown core, at Victoria Park, and along Eglinton Avenue, the bike stations are too widely distributed to expect one small NGO to operate them all (Scenario 1). Scenarios 2 and 3 benefit NGOs that could make use of the space and on-site tasks that long-term bike parking provides for programming or employment. User-facing administrative tasks should still be done by an overarching operator for consistency, either another NGO (Scenario 2) or a for-profit organization (Scenario 3). Since Toronto's current long-term bike parking infrastructure is primarily outdoor lockers and bike cage-style stations, little programming space is available. On-site maintenance would still be required, however. For Scenarios 2 and 3 to be worthwhile for NGOs, they need to offer location-based benefits, such as easier access to secondary services or stronger experience working in the local community. If future long-term bike parking is built with more capacity and indoor space, Scenarios 2 and 3 may become more feasible.

## Licensee versus Fee-for-Service

These models relate primarily to the operator's ability to make a profit. A licensee model allows CI&P to license an operator and collect fees for the privilege of using a City space or facilities to operate a business. A fee-for-service model allows CI&P to pay an operator for performing a service. In this case, CI&P is not collecting license fees but paying for a service. For bike parking, a fee-for-service model is preferable due to factors that limit the operator's ability to make a profit, including:

- Aspects of the physical space of the existing bike stations (Victoria Park and Union Station) currently limit the potential for on-site activities. Victoria Park is not climate controlled and has little space available beyond what is currently allocated for bike parking. Therefore, heavy

modification would be necessary to allow consistent retail activities or office space. The bike stations at Union Station have more potential for retail space, and sales could be expanded beyond the current vending machine that sells emergency bike supplies, such as tubes and tire levers. However, space for a full repair shop is limited here.

- Operations are expensive as it currently stands (without full time staffing). To properly ramp up staffing hours and still make a profit as a City licensee, the operator would need more than \$400,000 revenue per year. This includes the operator covering rent, utilities, security, maintenance, and IT.

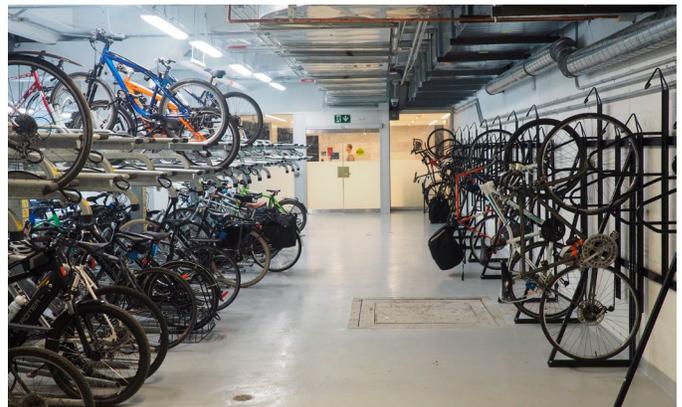


Figure 5. A bike station in Union Station, currently operated by the City's Cycling Infrastructure and Programs Unit, also offers shower facilities (Photo: City of Toronto)



Figure 6. A bike locker in Toronto (Photo: City of Toronto)

# Recommended Model

A model using one or more non-profit groups to operate bike stations only (not bike lockers) is feasible in Toronto under certain conditions. The recommended operations model (Scenario 2) would contract with one or more non-profit groups to operate bike stations. This is the most cost-effective, the best option from the perspective of the NGOs, would provide a better service to customers, and remove some operational burden from CI&P.

## The ideal operations model would:

- Allow CI&P to continue to roll rent, utilities, maintenance, and IT into other City budgets, thereby removing a financial burden from the NGO and improving financial feasibility
- Be a fee-for-service model, as requested by most NGOs
- Not rely on revenue generation by the operator to contribute to the budget, at least initially
- Allow NGOs to operate the bike stations located closest to them

Bike lockers have not been included in the ideal operations model because the NGOs interviewed did not express interest in taking on operations for bike lockers that require in-person maintenance and operations (changing of locks, etc.) without providing office or programming space. Both Los Angeles and Tempe do not include bike lockers in their external bike station operations schemes. In Los Angeles, L.A. Metro continues to operate bike lockers. In Tempe, bike lockers are run by the City but have been used for non-profit art projects.

## The ideal NGO operator would:

- Demonstrate organizational, management, and financial capacity for expanded responsibilities
- Have related organizational experience (fee-for-service, user registration procedures, fee processing, financial reporting, revenue generation activities, etc.)
- Have previous successful experience in providing contractual service for a municipality
- Have experience in providing quality bike programming, services, and outreach
- Have an established communications plan with a solid track record of reaching target audience
- Be in close proximity to one or more existing or planned bike stations