

## Memorandum

To: Cara Pavlicek, Village Manager and Lisa Shelly, Deputy Village Manager  
From: Tammie Grossman, Director of Development Customer Services and Cameron Davis, Assistant Director of Development Customer Services  
Date: July 12, 2018  
Re: Recommendation Regarding Moving Forward With Dockless Bike Share (DoBi) in the Village of Oak Park

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**Department Recommendation: Work with stakeholders to develop an Ordinance, for Village Board consideration, to establish a permitting procedure to regulate the operation of bike share companies within the Village of Oak Park. In addition, develop a second Ordinance establishing a permit fee and bike share permit application for operating short term bike rental in the public way.**

This memorandum addresses the issue of how best to establish a dockless bike share (DoBi) system in the Village of Oak Park. Staff has completed considerable research into newly established DoBi systems. The information and recommendation provided in this memorandum are drawn from the results of that research.

On May 5, 2018, the Village Board approved a motion to direct staff to..."**Explore Other Bike Sharing Alternatives.**" Following that meeting, staff immediately began to research how other municipalities had rolled-out their dockless bike share (DoBi) programs. What staff discovered is that many communities, with successful DoBi systems, first created a permitting procedure and regulatory ordinance. The development of these regulatory tools was followed by the permitting of one, two or three private service providers to operate in their community, utilizing the ordinance to guide their operational path.

Village staff is recommending that Oak Park establish a regulatory ordinance and permitting process, where a limited number of private companies (Example: LimeBike, ofo, SPIN, Etc.) are given the opportunity to become permitted ride share operators in Oak Park. This memo provides the following: 1.) An introduction to DoBi systems; 2.) An overview of the most common pros and cons of DoBi systems, compared to more traditional bike share systems; 3.) Insight into why research has changed staff's recommended approach to instituting DoBi in Oak Park; 4.) Insight into the list of items, that staff has developed, which will need to be addressed in a draft regulatory ordinance; and 5.) A timeline for DoBi system review and development.

## DoBi Introduction

Although there are several variations on the theme, true free-floating dockless bike share (DoBi) systems allow users to rent bikes using a smartphone app. Customers can then scan a code on the bike to trigger it to unlock. At the conclusion of the GPS tracked trip, bicycles can be parked anywhere, within legal limits, and locked. The true free-floating system does not rely on docked-based infrastructure. The main attraction to DoBi systems is the limited cost to taxpayers of such privately run and administered systems.

## Pros and Cons of New DoBi Systems vs. Traditional Docked Ride Share

The five most common “pros” that are mentioned when researching DoBi vs. traditional docked ride share systems, include the following:

- Improved fiscal accountability is achieved as the major costs/liabilities associated with DoBi systems is borne by the private sector;
- The achievement of geographic equity as customers take the bikes where they want to take them, no longer limited by docking stations;
- Improved access is achieved as customers find more bikes in their area;
- Utilization increases, as measured by miles traveled; and
- Trip flexibility is improved as individual locking technology allows you to park a bike anywhere, as long as it’s legal, whether you’re in the middle or at the end of your trip. Customers demand increased flexibility, which has been an issue with traditional docked bike share programs.

In comparison, the five most common “cons” that are mentioned when researching DoBi vs. traditional docked-based rideshare systems, include the following:

- Since unlimited DoBi systems allow bikes to be “free-locked,” not secured to a rack, it is easy for customers, vandals, and pranksters to leave them in hazardous or ridiculous locations, often cluttering public spaces;
- Poorly parked bikes can create a pedestrian hazard;
- An increase in the amount of time and money required to properly manage the bike fleet can place significant pressure on the fiscal viability of a DoBi program;
- If not enough private sector staff is dedicated to rebalancing the bikes, a significant concentration of the fleet can occur at destination locations, thus hindering one of the systems most discusses “pros”, geographic equity; and
- Bikes are often locked-up on private property, resulting in calls to the Village.

## Why Establish an Ordinance Based Permitting Procedure to Regulate the Operation of Bike Share Companies in Oak Park vs doing an FFP and Selecting a Provider

Since the Village Board decided to move away from the docked bike share program, Village staff has completed research into 12 municipalities that recently instituted DoBi programs. Originally, staff believed that the best option for Oak Park would be the development and release of an RFP with the ultimate goal of selecting one

preferred DoBi operator to serve our community. Upon completion of our research, including consultation with other communities, staff now believes a different path is in order. As previously stated, staff recommends working with stakeholders to develop a draft Ordinance, establishing a permitting procedure to regulate the operation of bike share companies within the Village. In addition, we recommend developing an additional Ordinance establishing a permit fee and bike share permit application for operating short term bike rental in the public way. We believe that this will be a quicker and more efficient path to follow, resulting in private sector competition, to ensure quality service.

Research has identified several simple, yet successful, DoBi systems like the one recently rolled out in the City of Durham, North Carolina. After consultation with key stakeholders and ride share companies, Durham worked to establish an ordinance based permitting procedure that ultimately now regulates the competitive operation of three bike share companies in their community. The successful development of Durham's system took many months of planning and consultation with key stakeholders. Durham's regulatory ordinance and permitting process based DoBi system is what staff is recommending Oak Park utilize as a best practice model.

#### Research has Led to the Development of a List of Items That Will Need to be Addressed In the draft Ordinance Staff Intends to Work With Stakeholders to Develop

As a result of our research, staff has developed an extensive list of items that will need to be included in Oak Parks' regulatory DoBi ordinance. Small samplings of issues, to be addressed in the draft ordinance, are listed below.

- The number of operating permits to be granted in Oak Park.
- The period of time permitted operators will be given to remove/repair damaged bikes.
- The places that bike share operators and bicycle operators will be allowed to lock-up bicycles in the more densely populated Oak Park business districts.
- How often will operators be required to provide anonymized data regarding utilization.
- Will operators be required to deploy and maintain a sufficient number of bicycles to satisfy customer demand within census tracts of low to median income areas of the Village.

Additional feedback from DoBi system stakeholders (DCS Department, Public Works Department, Police Department, Bike Groups, DoBi providers) will further enlighten and improve the development of a draft ordinance.

#### Timeline For Oak Park DoBi System Development

- Summer/Early Fall 2018 – DCS staff work with internal and external key stakeholders in the development of a draft DoBi regulatory ordinance and permitting process. Staff will also review Oak Park community bike rack infrastructure to determine any required adjustments.
- Late Fall 2018 – Presentation of draft DoBi regulatory ordinance and permitting process to the Village Board, for consideration.

- Winter 2018/19 – Distribution of new regulatory ordinance and permitting process to interested DoBi providers and acceptance of permit applications.
- Spring/Early Summer 2019 – Rollout of Oak Parks new DoBi system.

We are happy to answer any questions.