



Department of Planning & Community & Economic Development

Planning Division

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As part of the Judge Doyle Square project, the City sought to create a commuter-oriented bike center to encourage ridership by providing secure bike parking, changing/shower facilities and other amenities to cyclists. In late 2016, the City released a request for proposals to operate the bike center. To add flexibility and aid in creativity of responses, the RFP specified a minimum amount of required operational components of the bike center, as well as a series of desirable but optional features, which are listed below.

Required Components

- Secured, indoor bike parking for 150 bikes, accessible 24 hours per day
- Changing areas and lockers
- Bike supplies available for purchase
- Self-Service Bike Maintenance Station
- Restrooms
- Cycling information
- Facility maintenance

Desirable/Optional Features

- Staffed Presence
- Showers
- Staffed Bicycle Service Center
- Enhanced Bicycle retail
- Bike Wash Station
- Bike Rental/Share

The RFP encouraged potential operators to identify ways the bike center could further the City's Racial Equity and Social Justice (RESJI) goals and promote and support the local bike economy. Responses to the RFP were to be scored by the table below to assist in the operator selection process, however no responses were received.

Criteria	Point Value
Applicant demonstrates relevant experience and capacity to operate a bicycle center meeting expectations discussed in this RFP.	15
Services and amenities located within the bicycle center space or in adjacent retail spaces and contractually coordinated for use for bicycle center members.	30
Weekly hours of staffed operation.	15
Applicant provides services to cyclists other than monthly members.	10
To the extent possible, the bicycle center showcases Madison's Bike Economy.	10
The applicant identifies an operational approach to further the City's Racial Equity and Social Justice (RESJI) goals.	10
Operator proposes an appropriate and reasonable budget, including facility usage rates and rent payments.	10
Total Points available	100

After no responses were received, the City began discussions with members of the local cycling community to see if they had interest to potentially operate the facility. As a result of this outreach, the City received two proposals to operate the bike center, one from Freewheel Community Bike Shop, the other from Roger Charly, owner of Budget Bicycle, Machinery Row Bicycles and Motorless Motion.

After several meetings to review, discuss and ask questions of the potential operators, the staff review team drafted a term sheet as a basis for a negotiated lease. The draft term sheet clarified financial and standardized issues such as rent rates, utilities, and tenant improvements. The term sheet, which was agreeable to both Freewheel and Roger Charly, allows the staff review team to evaluate the proposals on a non-fiscal basis. One of the more significant changes within the term sheet was the rent terms. In the RFP, users were to propose their own rent structure, since the profitability of the bike center is not certain and would generally not be feasible with a market rate lease. The term sheet specified rent as \$1 per year for the first three years, allowing the operator to focus on growing bike center usage rather than profitability. After three years, the City would be able to review the operators' books and evaluate and modify rents.

After extensive discussion amongst the review team, staff tentatively recommends the City select Freewheel Community Bike Shop as the bike center operator. Beyond operating the bike center's required commuter elements, retail and service functions, Freewheel proposes to provide regular-scheduled free bike maintenance classes at JDS, provide scholarships to low-income residents, and donate repaired bikes and parts to those in need. The proposal appears to have the potential to provide a greater community-wide benefit than the proposal from Roger Charly. However, staff was more comfortable with Roger Charly's demonstrated ability to successfully operate and sustain a business and felt there was less risk of the bicycle center failing associated with his proposal. The question of potential community benefit vs. successful business experience was the central issue to the staff review team.

Staff feels the initial three year lease term of \$1 per year allows Freewheel to focus on business development, while allowing the City to not renew the lease after a relatively short time period if Freewheel is not able to follow through will all elements of their proposal. Staff feels this lease structure helps to mitigate the differences in risk between the two proposals.

Estimated Schedule:

- Construction of Block 88 begins: October 2017
- Completion of City-owned parking garage completed: December 2018
- Interior Build-out of bike center space begins: December 2018
- Opening of Bike Center: Earliest - Spring 2019; latest - Summer 2020
- Completion of upper floors on block 88: Summer/Fall 2020
- Completion of block 105: Spring/Summer 2021