

Crowdfunded Bike Lane

Denver, USA 



Using innovative financial mechanisms to build a protected bike lane

Following the general urban mobility trends in the United States of America, the City of Denver began planning its bike infrastructure. However, it often takes a long time for pedestrian and cycling projects to be implemented and sometimes local groups have to take the initiative in pushing the projects forward [1]. The Arapahoe Protected Bike Lane project was led by the Downtown Denver Partnership, a business organisation dedicated to the improvement of Denver’s downtown area. The project’s funding scheme was not standard. After acquiring US \$120,000 from private sector donors the Downtown Denver Partnership decided to collect the remaining \$35,000 using crowdfunding. This was decided as crowdfunding has proven to be a very successful way not only for financing but to raise citizen's awareness [2].



Country		City	
Population (2014)	318.9 million [5]	Population (2014)	663,862 (city) [8] 2,754,258 (metropolitan) [8]
Land area (km²)	9,831,510 [6]	Land area (km²)	400 (city) [8] n/a (metropolitan)
GDP per capita (2014, current international \$, at purchasing power parity)	54,629 [7]	GDP per capita(2014, US\$, at purchasing power parity)	n/a (city) 61,795 (metropolitan) [9]
Region	North America	Region	Colorado, Inland

City’s physical geography

Location	<ul style="list-style-type: none"> ✓ situated in the high plains at the eastern edge of the Rocky Mountains ✓ high altitude (from 1,560 to 1,730 m above sea level)
Climate	<ul style="list-style-type: none"> ✓ semi-arid continental climate with mild winters and comfortable summers(average annual temperature 10°C) ✓ dry and sunny climate with only 363 mm annual rainfall and around 300 days of sunshine per year

Initiating context

After seeing the huge increase in bike commuting and the need for safe bike lanes, the City of Denver, like many other American cities, started developing bike-lane plans and adding bike lanes [1]. The development of bike infrastructure has been elaborated in the Denver Moves bike plan, which aims to achieve the vision of a more liveable city. The Downtown Denver Partnership, a non-profit business organisation dedicated to plan, manage and develop Denver’s downtown area, was trying to push the City of Denver into implementing the 2007 Downtown Area Plan to build bike lanes and develop the downtown area [4]. To speed up the implementation process and make it more public, the Downtown Denver Partnership decided to take the initiative using a new financing mechanism [1]. Following the example of Memphis, where the first bike lane crowdfunding attempt was made, the Partnership decided to give the crowdfunding approach a try in raising the money for one specific bike lane, the Arapahoe Protected Bike Lane, and thus put pressure on the City to implement the full 2007 Downtown Area plan [1,3].

Project description

Arapahoe street is wide enough, having three car lanes, two parking lanes and one existing bike lane. This makes it a politically easy example for a Protected Bike Lane [2]. The Arapahoe Protected Bike Lane will use parked cars, instead of poles, as a barrier between cyclists and traffic [4]. In addition, the lane will be a part of the bigger downtown bike-lane network, which connects downtown and the university district [2]. Although crowdfunding, will be used for funding this protected bike lane, other protected bike lanes pushed by this example are expected to be funded in a conventional way (public money) [3].

Implementation process

The Partnership first collected US \$120,000 in donations from large private sector organisations. The fundraising process started with US \$85,000 donation from the Gates Family Foundation, which recently moved to Denver's downtown area, and US \$35,000 from the Downtown Denver Business Improvement District. After realizing the enthusiasm for donating for a protected bike lane, the City and County of Denver promised to cover the construction costs if the private sector could raise the remaining US \$35,000 required to cover design costs. Although that sum could have been probably easily collected from another grant maker, the Downtown Denver Partnership decided to use a different approach for financing and went crowdfunding. In October 2014, they launched their campaign with a street breakfast event [2]. As a crowdfunding platform, they chose ioby, a non-profit crowdfunding site specialized in community led development projects. On ioby the Partnership explained their idea and plan in details. In the case that their goal amount will be exceeded, the funding has been planned to go to more complex bike lane designs [1]. Finally, the Partnership managed to collect the exact required sum of US \$35,000 and could fully support the design costs of the project [4]. Soon, the City will be responsible for the construction and later for the maintenance of the Arapahoe Protected Bike Lane, which is expected to be finalized in 2016 [1].

Projects implementation details [1,4]

Process	To speed up construction of planned protected bike lanes, the Downtown Denver Partnership raised money from private companies and organisations. After they managed to collect a certain amount of money the City pledged to cover the construction and maintenance part of the project if the Downtown Denver Partnership would collect the remaining funds for planning and design. Thus, the Downtown Denver Partnership organised a crowdfunding campaign to collect that final sum and to prove the importance of protected bike lanes to citizens.
Financing	The costs of design were secured through two large private sector donations and crowdfunding, while the costs of construction and maintenance will be covered by the City budget.
Leadership	The initiating part was led by the Downtown Denver Partnership with a support of the City and County of Denver. Later, the project will be implemented by the City.
Involved stakeholders	Operators <ul style="list-style-type: none">✓ the City and County of Denver✓ the Downtown Denver Partnership Users <ul style="list-style-type: none">✓ City residents✓ Tourists

Results

In the case of the Arapahoe Protected Bike Lane, crowdfunding seems to have been a very good mechanism for stimulating and accelerating public investment. Through crowdsourcing, citizens give not only their dollars, but also their votes for an action they find very important [3]. The aim of this campaign was to push the community in actively pursuing common goals [2]. With contributions from around 250 individual and small businesses, the project definitely achieved its full goal [4]. Several other American cities were inspired by this project and have used the same principle to initiate construction of bike lanes in their cities. The initiators of this campaign saw their approach not only as 'raising the money, but also as raising the movement' [2]. In addition, the project also encourages bicycle traffic.

Lessons learned

Although crowdfunding is booming all around the world and is often used for funding sustainable ideas, there are still not so many crowdfunding projects related to the improvement of a city's environment. When it comes to the funding of such projects, there are many legal, regulative, political, financial and ethical obstacles that can occur. In general, many people are still sceptical about giving any money to fund public projects as they feel that they have already paid for that same projects with their taxes. The point is to raise the awareness and put a pressure on a city's government to fulfil the needs of citizens. Infrastructural projects cost a lot, and crowdfunding is not expected to pay for the whole project, but just to raise a symbolic sum that will move the project. Crucial for successfully financing a project via crowdfunding is also to choose a project that is maybe already mentioned in one of the city plans but not yet realized, having an experienced fundraiser and to establish a successful campaign to raise credibility [2].

References

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