



EASY RIDER RENTALS

Erik Reid

Thomas Lund

February 19, 2021

EXECUTIVE SUMMARY

This proposal outlines a cooperative project between Washington City and Easy Rider Rentals to launch and operate electric bicycle rentals stationed at city parks. This venture will require over \$50,000 to acquire and install the necessary equipment, all of which will be contributed by Easy Rider. Each park location will require approximately 130-160 square feet, to be leased from the city to Easy Rider.

Through the use of outdoor bike lockers, the rentals will be largely automated, with customers booking a bicycle online, signing a waiver, and being given a code that will open a bike locker at a designated park location. When a customer's rental window is over, they will then return the bike to the locker. After the final rental window, Easy Rider personnel would then service and charge the bicycles ahead of the next day's bookings.

This will be a low-risk venture for the city, with Easy Rider providing the necessary capital and personnel to launch and operate. We propose to start at a single location and, should that prove successful, evaluate expanding to other parks within the city.

We believe an operation like ours would not only offer an enjoyable activity to Washington's residents and visitors, but would also serve to help them explore more of the outstanding parks and paths throughout the city.

CONTENTS

Executive Summary	2
History	4
Our Objectives	4
Target Market	4
Ownership and Management Team.....	5
Erik Reid	5
Tom Lund.....	5
About the Bikes	5
The RadCity Step-Thru	5
About the Lockers	6
The CycleSafe ProPark	6
The CycleSafe Bike Shelter.....	8
Additional Security	9
GPS Tracking	9
Bike Locks	9
Software.....	9
Safety.....	9
Helmets.....	9
Safety Checks.....	9
Bike Model	9
Sanitization	10
Expectations.....	10
Ledges Location Growth.....	10
Park Location Growth	10
Trial Location Lease	11
Conclusion	12

HISTORY

Easy Rider Rentals was established in 2019 as a cooperative experiment with the Ledges Golf Course in St George. At the time, the Ledges had over 160 vacation rental units in their project, but only one real activity to offer them: golf. We approached them with the idea of hosting automated bike rentals and encouraging guests to visit nearby attractions like Snow Canyon.

The experiment has proven successful, and we have all been pleasantly surprised by how much of a hit it has become—and not just within the Ledges. Month after month, we attract hundreds of customers to the Ledges from different areas of Washington and St George. After one year of operation, Ledges vacationers only make up 20% of our customers, indicating that there is greater demand in the area than is currently being met. Because we have seen our automated model do so well in the microcosm that is the Ledges, we also believe it would be successful if integrated into a city park system.

OUR OBJECTIVES

Recognizing that the business described in our proposal is somewhat different from our operation at the Ledges, our objective remains the same: to encourage active transportation by providing easy and fast access to electric bicycles. We believe this aligns with goals outlined in the city's 2017 Active Transportation Plan.

TARGET MARKET

In analyzing data generated from public surveys and our own records, we have found the following information:

- 65% of renters are female.
- Average rental group size is 2.3.
- 4.1% of groups bring toddlers or small children.
- 70% of riders are over 40 years old.

These results strengthen our resolve to maintain a focus on adults, while maintaining enough bikes on location to accommodate several couples at a time.

In addition to this, we also want to be a welcoming alternative to other rental operations in the area that put the burden of transporting the bikes on the customer, either physically or financially. With our bikes being on site and easy to access, even the least tech-savvy of the middle aged demographic will be attracted to our location.

OWNERSHIP AND MANAGEMENT TEAM

Erik Reid

With experience in entrepreneurship both home and abroad, Erik brings a vision of operations and customer care. Erik will provide regular management supervision to ensure that the Easy Rider rental experience in Washington will be the highest quality possible.

Tom Lund

As an owner, Tom brings his experience in entrepreneurship, finance, and management to Easy Rider. For the last six years, Tom has managed a growing portfolio of self-storage businesses across the country. Under his management, net revenue for each facility within his portfolio grew by over 40% in the first two years. He believes a cooperative project with Washington City could also see such explosive growth.

ABOUT THE BIKES

The RadCity Step-Thru

Easy Rider Rentals offers a single ebike model to its customers—the RadCity Step-Thru. Having tested operations with six different models of electric bicycle, we have found the RadCity Step-Thru to be the most universally accessible and reliable ebike for our purposes. It's sleek, step-thru design means riders don't have to lift their leg over a tall frame. With a standover height of 20", the RadCity Step-thru can accommodate riders ranging from 4'10" to 6'3".



Its hybrid cruise/commuter style lends itself to casual rides, discouraging aggressive, off-the-path rides that may cause damage or injury. Since Easy Rider switched to only offering the RadCity Step-Thru, our incidents of damage have decreased by 90%.

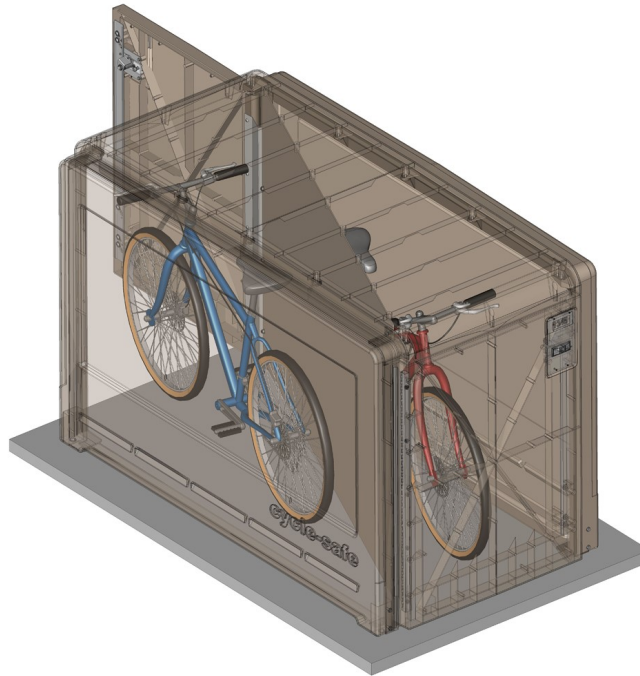


ABOUT THE LOCKERS

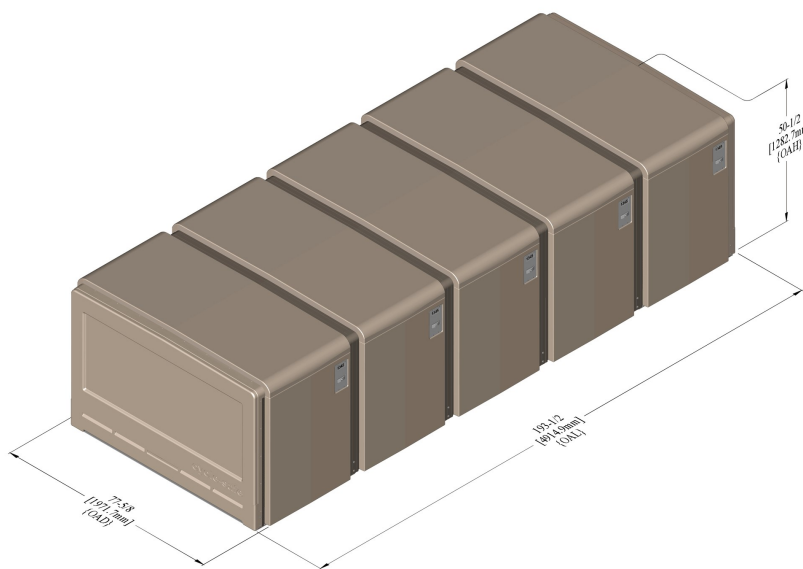
The CycleSafe ProPark

The CycleSafe ProPark is the premier outdoor bicycle locker, offering one of the most space efficient and durable bike lockers on the market. Constructed out of UL recognize structural compression-molded composite (SMC), with a graffiti/UV-1 resistant coating, these lockers should have no problem holding up in the Southern Utah heat.

Each locker has a door on each side, with a diagonal partition to separate the compartments, meaning one locker accommodates two bikes. The locker's modular design offers flexibility in terms of a location's demand. If the rental velocity at a certain park location turns out to be higher than expected, additional lockers can be installed to meet the demand.



Pictured below is a 5-locker bank that will accommodate 10 bikes. We have determined that for the initial trial location we will want 10-12 bikes on site. The footprint we are proposing is about 236" x 78", or about 20' x 6'6", a total of 130 square feet.



The CycleSafe Bike Shelter

Additionally, the modular system can be made to accommodate attached shade structures. Install a bench under the shade structure, and this serves as an additional park amenity.



The walls of the locker banks and shade structures can also be utilized as display panels. These will be key in directing customers to the booking application/website. Depending on the needs of the city, additional surfaces can be utilized as park directional signage or advertising for other city programs.



ADDITIONAL SECURITY

GPS Tracking

Each of our bikes is equipped with a Boomerang GPS tracker. These attach directly to the frame of the bike with tamper-proof bolts, so they cannot be removed or disabled by customers. This allows us to not only protect our inventory from theft and unauthorized access, but also provides useful information about our customers' activities.

The ability to monitor our customers' routes will give us insight for future expansion. If we find that substantial numbers of customers ride to specific destinations, we can launch the next location with those destinations in mind.

Bike Locks

In the event that a customer is planning to ride to a destination and leave the bike temporarily, such as at a trailhead or restaurant, Easy Rider provides both cable locks and U-locks free of charge.

Software

We have invested substantial capital into developing software solutions to ensure that the process of booking, signing waivers, and receiving access to the bikes is as secure and traceable as possible.

SAFETY

Helmets

Easy Rider requires all customers to wear helmets while riding. Because they are a requirement, we provide helmets to customers free of charge. These helmets are adjustable for a universal fit and are compliant with CPSC safety standards.

Safety Checks

Easy Rider personnel do nightly safety checks on all bikes. These checks include checking front and rear brakes, tire pressure, tire condition, seat post condition, and electrical component functionality.

Bike Model

As mentioned above, we believe one of the largest influences on customer behavior while riding is the bike itself. The RadCity Step-Thru has been deliberately chosen because its design implicitly discourages reckless behavior.

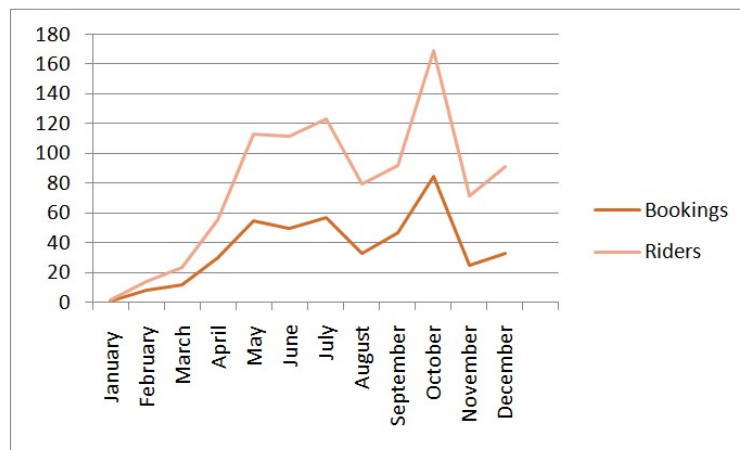
Sanitization

Easy Rider personnel take customer concerns over cleanliness seriously, and go to great lengths to make sure bikes and helmets are sanitized following every booking, as well as any other surfaces we know customers touch, such as door handles.

EXPECTATIONS

Ledges Location Growth

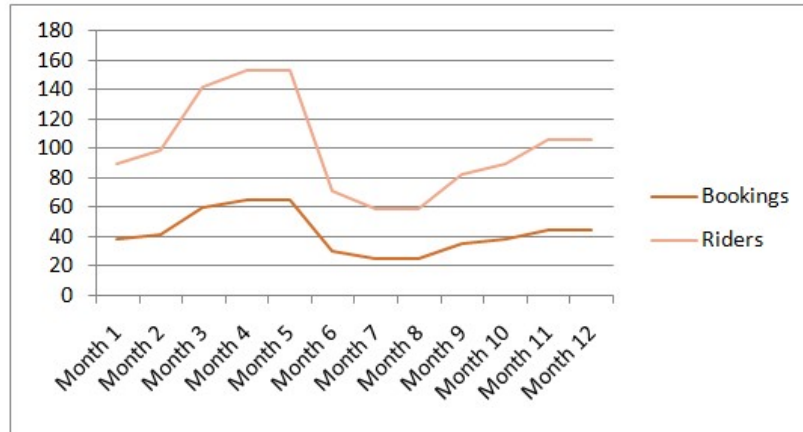
Easy Rider's Ledges location opened in December 2019, with our first booking being made in January 2020. In the course of the year, we have gone from 1 customer in our first month, to 170 within nine months. There is, of course, a seasonal dynamic at play with any kind of outdoor recreational activity, but we are still experiencing growth during these slower times.



1. 2020 Growth - Easy Rider Rentals Ledges Location

Park Location Growth

Given Easy Rider's substantial growth in its first year and its position within the local ebike rental market, we believe the city park operation would grow much faster. We are the number two result in a Google search for local ebike rentals and see thousands of visitors to our website per month. The park operation would be accelerated substantially from our website traffic alone, not to mention the inherent visibility of being stationed at a public park.

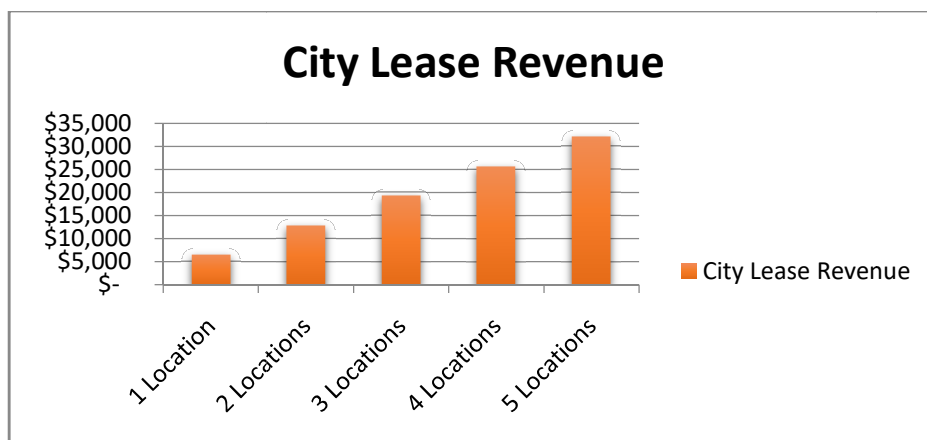


2. 2021 Projected Growth - Easy Rider Rentals Washington Trial Location

Trial Location Lease

It is expected that this operation would begin with a single trial location to be chosen in cooperation with Washington city, with the understanding that future locations may become available if the program proves successful.

In our financial analysis of this project, we have posited a lease rate for the necessary space at \$50 per square foot per year. This is well above the highest rates we have been able to find for commercial lease space in the area (\$36-38/sq ft/yr). At 130 square feet, the lease would total \$6,400 per year. Assuming the trial location is successful and additional park locations are launched, the leases will multiply.



CONCLUSION

Our proposal is a small one, asking for nothing from the city but 130 square feet of ground located at one of the city parks as a trial run for a larger active transportation program within the parks system. We believe in starting small, before taking careful and measured steps toward growth. A project like ours will not only add a steady revenue stream for the city, but it will also provide a unique and valuable amenity to Washington's park system.