



BIKE ECONOMICS

*A Primer on the
Economic Impact
of Cycling in the
Capital Region*

CRD

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MAY, 2015

BIKENOMICS

Capital Region communities want to increase local jobs and economic activity. They have identified top priorities- draw tourists, attract knowledge workers, and support local businesses. Cycling is playing a growing role in each of these economic goals.

To show the local economic impact of cycling, this report highlights key numbers and interviews with business and community leaders in the Capital Region. Prepared with funding from Federal Gas Tax, this report builds on the Pedestrian and Cycling Master Plan, Regional Transportation Plan and local economic development plans.

Surging numbers of people in the region are choosing to bike to work, school and errands. More people are participating in races and events. Businesses are using cargo bikes for delivery. Municipalities are building protected bike lanes and multi-use trails.

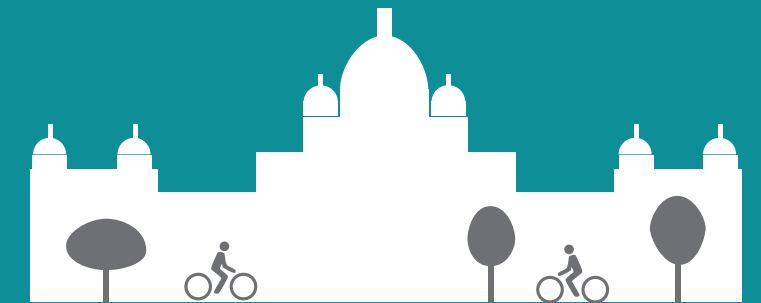
Business owners, community leaders and elected officials are already recognizing the positive impact of cycling on the local economy. With more investment and creativity, there is potential for even more economic growth.



CYCLING AND ECONOMIC OPPORTUNITIES

AUTHENTIC PLACE TO VISIT

People want to visit authentic places they can experience like a local



LIFESTYLE THAT ATTRACTS TECH TALENT

Tech workers, especially millennials, prefer a lifestyle that includes walking or biking to work



GROWING LOCAL BIKE BUSINESS

Business owners create jobs and put money into the local economy



Authentic Place to Visit

Visitors come for the culture and food of downtown Victoria, the quaint charm of the Gulf Islands and the rugged wilderness of the Juan de Fuca area. Over 3 million visitors spend almost a billion dollars each year. 5% of visitors to Victoria ride bikes while they are here. In rural areas, people on bikes are more likely to visit smaller places, stay overnight and spend more.

For more visitors to enjoy cycling here, it needs to be easy and comfortable to explore a new place. This means routes that are consistent and separated from traffic and wayfinding that connects them to food and drinks and activities. The experience of biking to Thetis Lake for a swim or to lunch on Sidney's waterfront become photos on Facebook, posts on Twitter, and stories to tell their friends.



*Tourism is a
fundamental
economic driver*
-District of Sooke

150,000
visitors cycle in the
Capital Region
annually

spend
average
\$990
per trip

CAPITAL REGION HAS YEAR-ROUND:

✓ PLEASURE RIDING



✓ EVENTS & RACES



✓ CYCLE TOURING



✓ MOUNTAIN BIKING



85 KM
of regional
multi-use
trails



Sources:
District of Sooke, Official Community Plan, 2010; Tourism Victoria Exit Survey, 2010, 2014; Local ferry companies, survey, Urban Systems, 2014; Capital Regional District, Pedestrian and Cycling Master Plan



**Paul Nursey,
President and CEO, Tourism Victoria**

Paul Nursey has seen the great growth in tourism in Victoria. He is building on this success by focusing on what motivates people to travel to a destination and how to get more people to choose Victoria.

For successful tourism economic development, Paul talks about three components: great product, engaging marketing and effective policy. Tourism Victoria promotes the local brand and the different experiential tourism opportunities. Paul sees cycling fitting into many of the activities and experiences people want to have when they come to Victoria.

When looking at the travel motivations and what tourists will seek when they choose to travel, Victoria has so much to offer and cycling, be it touring, mountain biking or a short jaunt to the local craft brewery, can be a part of it.

“Cycling is one part of a tourism experience”
PAUL NURSEY

**Mandy Farmer,
President and CEO, Accent Inns /Hotel Zed**

Mandy Farmer is taking advantage of the financial opportunity that cycle tourism offers. The bike-friendly hotel chain offers bike storage in rooms, full sets of mechanic-grade bike tools, and sponsors a bike racing team. Hotel Zed offers a fleet of free bikes to visitors.

Mandy loves cycling but has also seen first-hand how it makes good business sense. “Cyclists are loyal and support you because you support them.” In Victoria, the hotels provide access to a variety of activities, from the Galloping Goose to the great vistas in Metchosin, to four-season mountain biking and a growing network of bike lanes in Victoria. With all these opportunities, Mandy sees that biking improves the visitor experience, and happy visitors will then share their stories with others.

“The focus on cycling has been excellent for our brand, our image and for our bottom line”
MANDY FARMER



**Rob Fawcett,
Director of Mountain Bike Development,
Bear Mountain**

“Tourists need to know what local riders are already enjoying”
ROB FAWCETT

Rob Fawcett is helping Bear Mountain Resort become a world-class mountain biking destination as a key part of their business.

Rob was part of Bear Mountain’s recent designation as an Official High Performance Training Centre for the Canadian National Mountain Biking team. This builds on the 5,000 spectators who visited Bear Mountain to watch Jump Ship, a competitive Freeride Mountain biking event, in 2014.

With a strong history of mountain biking and year round riding, Rob sees great potential for more mountain biking opportunities. He wants circle routes that can showcase local attractions, like mountains and the waterfront, but he believes more trail building, signs and marketing is needed.

WHO TO WATCH

Quebec’s Route Verte

The province offers 5,000km bikeway across Quebec. The ‘Bienvenue cyclistes!’ certified bicycle accommodation program has over 450 participants that provide bike parking, food service, bike repair and local information. It is estimated that cyclists on the Route spent \$95.4 million in 2000.

Niagra Region

Canada’s undiscovered cycling mecca has 200 scenic routes and trails to different attractions. In recent years it has created the ‘Cycle and Stay Niagra’ network of cycle-friendly Bed and Breakfasts, hired a Cycle Tourism coordinator, and surveyed visiting cyclists.

Whistler

Whistler has made a name for itself as the number one lift-accessed, downhill mountain biking location in the world. They also host cross country bike trails, recreational paved trails and road cycling opportunities. Tourism Whistler provides information on bike rentals, bike friendly accommodation, a trails database and listing of bike events.

STRATEGY

Enhance the product

- Expand the network of high quality, comfortable protected bike routes
- Develop circle routes that connect local and regional destinations
- Develop and formalize mountain bike trails

Step up the marketing

- Implement cycling signs and maps that connect people on bikes to restaurants, hotels and activities
- Promote cycling opportunities through photos, videos, social media, and tourism marketing material

Attracting Tech Talent

Communities across Capital Region want to attract businesses and workers to green, knowledge-based and high-tech industries. There is a burgeoning technology sector with firms across the region. This growing sector needs to attract talent in order to continue to expand and achieve greater success.

The most successful cities across North America are able to attract and retain talented and educated young people. These sought-after workers are less interested in owning cars or housing. Instead, they prefer to live in central locations, rent an apartment, and walk, bike or use transit to get to work. Municipalities that offer vibrant centres with arts and cultural amenities, access to outdoor recreation, and a variety of commuting options, including good bike facilities, appeal to young talent. This highlights the strong connection between attracting technology workers and cycling.

“The city of Chicago moved from 10th to 5th of most bike-friendly cities in the country in one year. In the same year, we moved from 15th to 10th worldwide in the ‘start-up’ economy. No city worldwide moved that far that fast that quickly. You cannot be for a start-up, high-tech economy and not be pro-bike.” –Chicago Mayor Rahm Emanuel



884 tech firms
in Capital
Region

\$4.03 billion
in economic
impact

*High tech
is our future*
– City of Victoria

GROWING THE TECH SECTOR NEEDS TALENT, BUT...

CANADA HAS A
SHORTAGE OF TECH
WORKERS

3/4
OF MILLENIALS
WOULD CHOOSE A
COOL CITY ABOVE
A GOOD JOB

20% OF
MILLENIALS DON'T
HAVE A DRIVER'S
LICENCE

ATTRACT TECH TALENT WITH LIFESTYLE:

- Downtown housing
- Access to outdoor recreation, like mountain biking
- Vibrant centres with restaurants, coffee shops and pubs
- Appealing transportation options, including secure bike parking

Sources:

City of Victoria, Growing Business in BC's Capital City, 2011; VIATeC Economic Impact of the Greater Victoria Tech Sector, 2014; Ryan Holmes, CEO, Hootsuite (tech shortage); Rebecca Ryan, Futurist (cool city); Abacus Data abacusdata.ca (driver's licences)



Dan Gunn,
Executive
Director,
VIATeC

“Cycling is a big part of Victoria. Anything that is active, culture, and technology is innovative. Tech is an early adopter and going to embrace new things.”

DAN GUNN

Dan Gunn leads VIATeC, an industry group involved in investment and promotion of the Greater Victoria technology sector. He highlights the important role the technology industry plays in the local economy with thriving firms and billions in economic impact.

On top of highlighting the growing industry, part of VIATeC’s recruitment strategy is showcasing the lifestyle that Victoria offers. To describe the lifestyle, Dan talks about the kilometres of bike lanes, number of mountain bike trails and hectares of parkland. VIATeC’s new Fort Tectoria incubator space provides easy access to this lifestyle with a downtown location and stylish bikes available to borrow.

Shea Phillips,
Community Manager, Spacestation and Spacebar

Shea Phillips is involved in Spacestation and Spacebar, an innovative co-working space for budding entrepreneurs and small technology companies. Located at the foot of Fort St, the downtown location and cycling facilities are factors for members attracting employees.

Most of the tenants of Spacestation and Spacebar live near downtown and walk or bike to the office. “When we renovated the space we decided that we needed to provide enough secure space inside to allow as many people as possible to lock up their bikes.” The bike room easily fits 25 bikes and gear.

Four growing tech companies, Roof, SendWithUs, Tiny-Mob Games and Checkfront, at Spacestation see the bike storage room as essential to enable people to ride to work. As a Checkfront employee notes, “Everyone but one walks or bikes to work. We got the office so it was close to transit and easy to bike to - so it’s a selling point.”

“Lifestyle is very important and cycling is a part of it”

SHEA PHILLIPS



Dallas Gislason, Economic Development Officer, Greater Victoria Development Agency

Dallas Gislason looks at the big picture of economic development in Greater Victoria to identify ways to support its growth. For Dallas, the technology industry is a key component.

In addition to the tech industry, Dallas points out that “no matter what your economic interest is you need to attract young people.” He sees how millennials have changing priorities for housing and transportation, and increasingly they are choosing a city and lifestyle before a job. Dallas believes a city that prioritizes walking, cycling and amenities will be more attractive to talent and entrepreneurs that drive innovation across all sectors.

“High-tech is our #1 economic driver and one of the selling points of Victoria as a high-tech/entrepreneurial city is bike culture from both a commuter as well as a lifestyle/leisure perspective.”

DALLAS GISLASON

WHO TO WATCH

Vancouver

Vancouver has protected bike lanes and a growing cycling mode share. It also has tech companies like Hootsuite that highlight their bike culture because it attracts young, active and socially conscious staff. Hootsuite also believes their staff performs better because they bike to work.

Portland

Portland has a relaxed culture, outdoor activities, including cycling, and a high quality of life that are attracting the young and innovative. The city is home to SurveyMonkey, AboutUs, Dotster and Get Clicky.

San Francisco

The city offers employees the urban experience that nearby Silicon Valley lacks. It was named the top bike city with 7.8 miles of bike facility per sq mile, and hosts Craigslist, Twitter and Airbnb offices in the city.

STRATEGIES

- Provide employees with secure, indoor bike parking and loaner bikes
- Promote both the urban cycling and mountain biking opportunities as part of the lifestyle Victoria has to offer
- Develop physical and cultural amenities that are key to attracting knowledge workers. Build bike facilities, public plazas, and arts and culture opportunities.

Growing Local Bike Business

Support for local businesses is a mainstay in the economic development plans of municipalities across the region. The majority of direct employment in cycling is provided by neighbourhood bicycle retail shops.

From Sooke to Sidney to Salt Spring Island, bike businesses provide employment, buy local goods and services, and get people riding. Their focus ranges from mountain bikes, road bikes, to transport and family bikes and accessories. Many also provide repair services, bike rentals and tours.

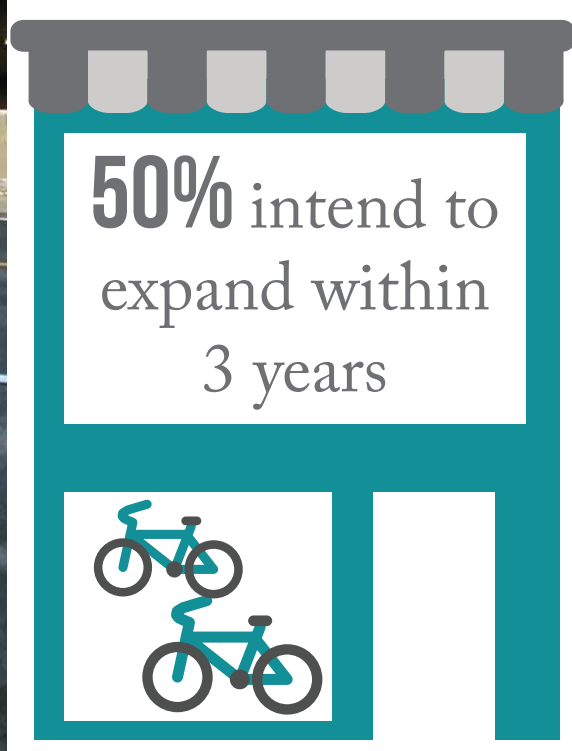


32
independent bike shops
from Sooke to Salt Spring

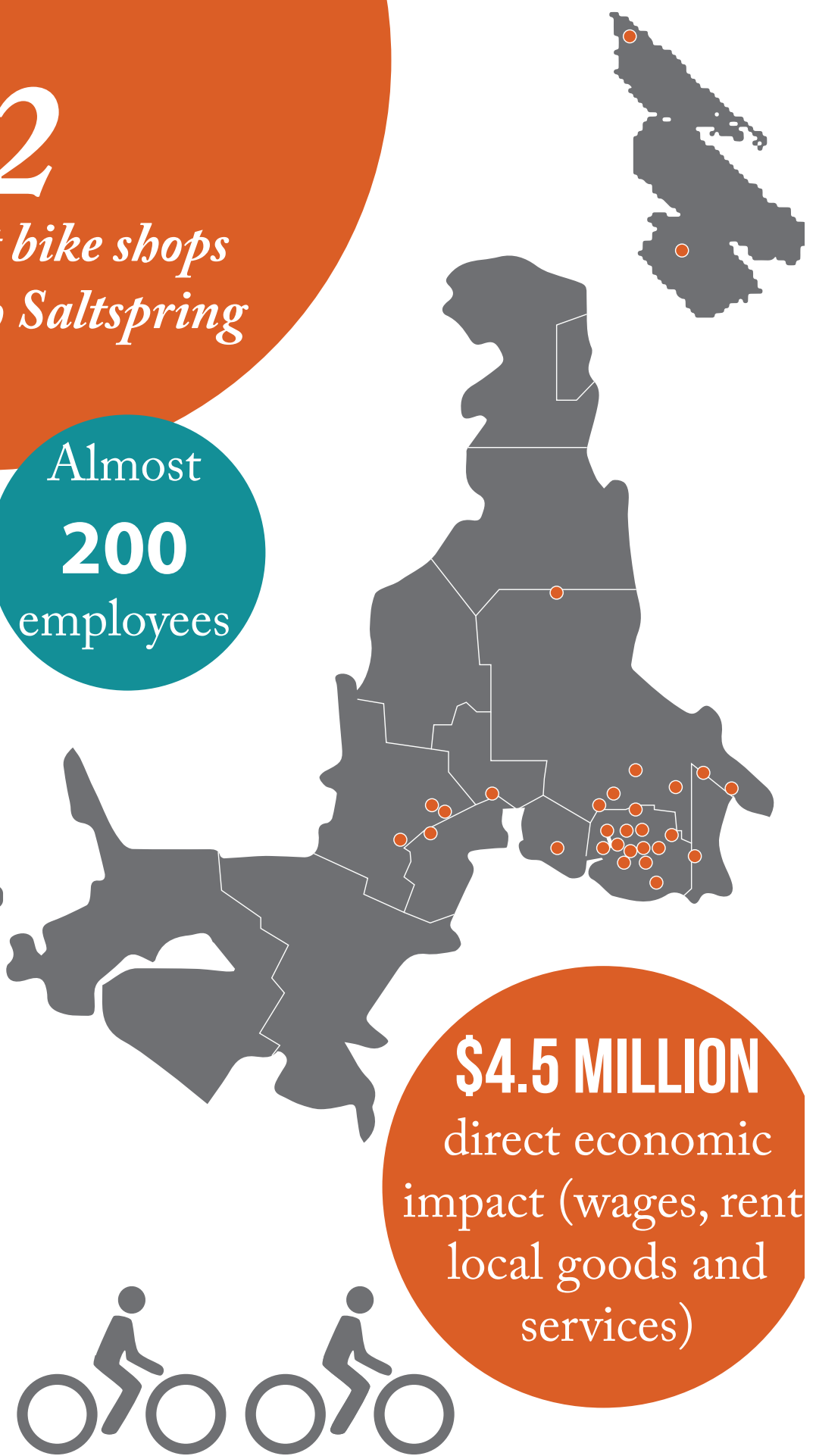
4X
per capita
the national
average

Almost
200
employees

50% intend to
expand within
3 years



\$4.5 MILLION
direct economic
impact (wages, rent
local goods and
services)





Richard Kirk, Marketing Director, Lochside Cycles

Richard Kirk believes the Victoria area has many elements that support Lochside Cycles, a new urban bicycle design and manufacturing company. He notes that Victoria offers local infrastructure with regional trail networks and bike lanes and the casual, trendy, and recreational cyclist market.

Richard is optimistic about more opportunities in the city with increasing ridership; more bike lanes and regional multi-use trails that support a stronger bike culture; and the many pubs, restaurants, coffee shops, and other destinations within biking distance. He also sees local bike-related businesses facing challenges with unsafe cycling conditions when municipalities do not invest enough in bicycle lanes, bike parking and supportive facilities.

Victoria has “many of the ingredients to support a strong bike culture and it is a growing market when biking infrastructure is safe, convenient and enjoyable.”

RICHARD KIRK

Bicycle Retail Shops

There is a healthy bicycle retail industry in Greater Victoria. An on-line survey of the 32 independent bicycle retail shops (max. two locations) that operate in the area identified the local employment and economic impact.

The survey found that local bicycle retail shops employ 187 people, 94 of whom are year-round full-time employees. Half of the businesses intend to expand their business over the next three years, expecting to hire an additional 48 staff members.

In 2013, retail shops contributed a total of \$4.5 million into the local economy through wages, rent and local goods and services.

Bicycle retail shops also make a social contribution to the economy. They participate in:

- Event sponsorship;
- Bicycle recycling and loans;
- Volunteer program; and,
- Community and high school repair classes.

“Build better infrastructure and more people will ride.”

SUSAN STOKHOF

Susan Stokhof, Owner, Le Vélo Victoria

Susan Stokhof is owner of Le Vélo Victoria, a bicycle retail company that has been operating for two years. The company specializes in stylish bicycle accessories, including bags, baskets and clothing. She sees a growing opportunity with the urban cycling movement in Victoria, but says there is a need for more bicycle infrastructure, especially separated infrastructure to prioritize cyclists.

One challenge Susan saw was the high cost of commercial rent in Victoria, but also saw opportunities for entrepreneurs to open pop-up stores in empty storefronts on weekends. To encourage more economic development around cycling, Susan identified opportunities to create car-free spaces (for example, Government Street) and have municipalities work together to connect protected bicycle infrastructure.



WHO TO WATCH

Oregon

Bicycling and the bicycle industry is an iconic aspect of the state’s identity and economy. It includes bicycle manufacturing, wholesale, and retail. With over 90 manufacturers, the research, development and innovation related to bicycles is substantial. As well, 70% of the bicycles and accessories manufactured in Oregon are exported to other states and countries.

Quebec

Quebec hosts a majority of Canada’s bicycle manufacturing industry, including two niche companies, BionX (electric bicycles and Arkel (panniers). In addition, there are 378 bike shops or sporting goods retailer across the province. Over half a million bikes were sold in Quebec each year.

STRATEGIES

- Invest in cycling infrastructure that encourages more people to bike, who then support local bike businesses
- Support pop-up/short term retail business rental opportunities
- Integrate bicycle retail shop information into cycling route signs and maps



Sources: page 19



Cycling is already a part of the Capital Region's economy. Tourists are riding bikes, tech companies are using the lifestyle, including cycling, to recruit talent, and bike stores are putting \$4.5 million in direct economic impact into the region.

There are also more economic benefits that have not yet been studied in the region, including retail sales, building occupancy and property value. Along with productivity and health benefits, there are many positive economic impacts of cycling to be enjoyed by individuals, families, businesses and communities.

To fully take advantage of these opportunities communities across the Capital Region need to make strong, targeted investments in protected bike lanes and other strategies that will welcome locals and visitors to get on a bike and ride.

Acknowledgements & Sources

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Shae Phillips, Dan Gunn, Dallas Gislason, Richard Kirk, Susan Stokhof, Mandy Farmer, Rob Fawcett and Paul Nursey
- Bikenomics by Elly Blue (bikenomics.com)

Tourism

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Attracting technology workers

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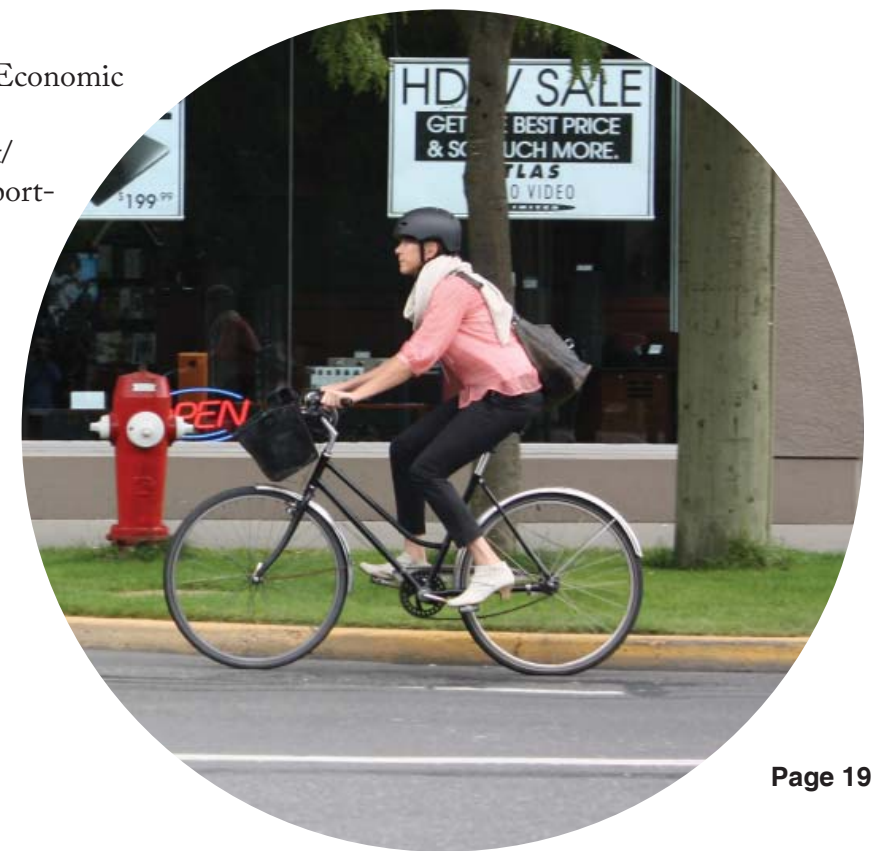
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