

RIVERSIDE TRANSIT AGENCY
1825 Third Street
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June 22, 2006

TO: BOARD OF DIRECTORS
THRU: Larry Rubio, Chief Executive Officer
FROM: *SR* Scott Richardson, Director of Marketing
SUBJECT: Casino Subsidy Report

Summary:

At its March 1, 2006, meeting, the Board Operations Committee asked staff to examine the possibility of obtaining operation subsidies from the two casinos served by the Agency, the Pechanga Resort and Casino and the Soboba Casino, both of which currently receive bus service seven days a week.

The Soboba Casino is served by Route 42 with 10 trips a day and an average of 10 passengers per day traveling to the casino. Overall, Route 42 carries 1,200 riders per month. The Pechanga Casino is served by Route 24 with 11 trips a day and an average of 10 passengers per day traveling to the casino. Route 24 carries 3,200 riders per month.

Marketing staff contacted the two casinos and both expressed an interest in potentially subsidizing new RTA service to transport customers and employees, but neither expressed interest in subsidizing current service.

The Pechanga Casino expressed the most interest in subsidizing new RTA service. Casino officials said they are willing to pursue a 90-day pilot program with RTA to subsidize a new fixed weekday route that would drop passengers off in the morning before 11 a.m. and return them in the afternoon. Their suggestion is for the proposed route to travel by senior centers and senior housing locations because seniors are their major potential customers during weekdays.

RTA staff is also talking with the Pechanga Casino human resources department regarding their employees utilizing RTA to commute to work and possible casino subsidization of their bus passes. RTA will

work with their HR department to analyze employee home locations and work schedules to determine potential usage for a rideshare program.

The Soboba Casino said they would consider a program similar to the one being discussed with Pechanga where the casino would subsidize a new RTA fixed route to transport seniors during weekdays with limited trips.

Soboba's HR department also expressed interest in starting a ridesharing program using RTA's services.

Any potential routes serving the casinos would be operated as fixed routes, with published routing and timetables.

Fiscal Implication:

Full subsidization of the new casino routes would provide 100 percent farebox recovery on those routes which would add to the blended farebox recovery ratio, and casino subsidization of bus passes for employee rideshare programs would help to encourage ridership on Routes 24 and 42 currently serving the casinos.

Committee Recommendation:

This item was discussed at the Board Budget and Administration and Board Operations Committee meetings of June 7, 2006. The Committees' members recommended this item to the full Board of Directors for their consideration.

Recommendation:

Receive and file.