

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

September 28, 2006

TO: BOARD OF DIRECTORS  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Scott Richardson, Director of Marketing  
SUBJECT: Authorization to Enter into Agreement with Cities of Moreno Valley and San Jacinto for Bus Shelter Advertising Program

Summary:

Since 1989, RTA has contracted with an outside vendor to provide and maintain bus shelters paid for through shelter display advertising at no charge to the Agency. RTA receives advertising revenues from the vendor according to the contract. At this time, RTA has agreements with the County of Riverside and the cities of Hemet, Lake Elsinore, Norco, and Perris to allow the Agency's contractor to install bus shelters with advertising in their jurisdictions.

The City of Moreno Valley has expressed interest in joining RTA's bus shelter program. Currently, the City of Moreno Valley has an expired contract with Clear Channel Outdoor for bus shelter advertising in their city that is continuing on a month-by-month basis. The Moreno Valley's intent is to terminate their current contract and have RTA administer the bus shelter advertising program and receive all generated program revenue.

The City of San Jacinto would like to join RTA's shelter advertising program in order to receive additional shelters. The City currently has its own bus shelter advertising program utilizing seven shelters with advertising panels, and the City sells the advertising space. If San Jacinto joins RTA's program, the Agency's vendor will install additional shelters, and RTA would receive all generated program revenue from those shelters. The City would continue to sell advertising on their seven shelters and collect any revenue they generate.

Because the Agency's contract with the current shelter advertising vendor CBS Outdoor has expired and continues on a month-by-month basis, staff is preparing to release a Request for Proposals (RFP) for a

new program, and adding the cities of Moreno Valley and San Jacinto would strengthen the attractiveness of the RFP and increase potential revenue for RTA as well as possibly attract additional bidders.

Fiscal Impact:

RTA would receive advertising revenues from shelters placed in Moreno Valley and San Jacinto when the new bus shelter advertising contract is implemented. The income will depend on the revenue structure proposed by the successful bidder and the number of shelters installed. All shelter revenue is applied toward farebox recovery requirements.

Committee Recommendation:

This item was discussed at the Board Budget and Administration Committee meeting of September 13, 2006. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration.

Recommendation:

Authorize staff to enter into an agreement with the cities of Moreno Valley and San Jacinto for RTA to administer a bus shelter advertising program in their jurisdictions where RTA receives all revenue generated from the program.