

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 22, 2007

TO: BOARD OF DIRECTORS
THRU: Larry Rubio, Chief Executive Officer
FROM: *SR* Scott Richardson, Director of Marketing
SUBJECT: Sale of Press-Enterprise Newspapers on RTA Buses

Summary:

The Press-Enterprise has proposed a pilot program where RTA customers can purchase newspapers on CommuterLink, Crest Cruiser, and Jury Trolley buses. This type of program would provide an extra amenity to help attract discretionary riders and an additional revenue source to RTA.

The Press-Enterprise would install racks behind the driver seating area. Customers would purchase a newspaper by paying for it via the farebox. Press-Enterprise personnel would maintain the racks, stock them with papers every morning, and collect all unsold papers at the end of the day. Additionally, they would provide promotional materials and advertising which would also promote ridership.

RTA would receive 50 percent of the revenue from all papers sold on our buses and be credited for all unsold papers.

The Press-Enterprise plans to initially stock each bus with 40-50 papers per day and adjust the quantity as needed. Similar programs have been successful in other parts of the country and have been met with favorable response from riders.

The CommuterLink, Crest Cruiser, and Jury Trolley routes were selected for the pilot program because of the demographics of these customers.

During the pilot program, staff will monitor the program closely regarding sales and whether it slows boarding times or creates litter on buses. In addition, according to the Agency's General Counsel, if the

program becomes impractical for the Agency to continue, staff will recommend that it be discontinued.

The Press-Enterprise will be required to carry sufficient insurance and hold RTA harmless while on the property.

If the program is successful, RTA will examine the potential to expand the program to other routes.

Fiscal Impact:

RTA would receive 12.5 cents per paper sold. The Press-Enterprise projects annual revenue to RTA to potentially reach \$18,000 based on Monday-Friday only sales on the pilot routes. The Press-Enterprise will provide promotional materials and advertising.

Committee Recommendation:

This item was discussed at the Board Budget and Administration and Board Operations Committee meetings of February 7, 2007. The Committees' 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 Press-Enterprise for a six-month pilot program where Press-Enterprise newspapers will be sold on CommuterLink, Crest Cruiser, and Jury Trolley buses. The Press-Enterprise will install and maintain all associated fixtures and deliver, place, and remove papers on buses and provide promotional materials and advertising. RTA will retain 50 percent of the revenue of all papers sold on RTA buses.