



LONG BEACH

T R A N S I T

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May 9, 2011

William W. Lorbeer
Lorbeer Equity Management, Inc.
5320 E. 2nd Street, Suite 9
Long Beach, CA 90803

Dear William,

Long Beach Transit is pleased to present to you a proposal for a Belmont Shore Employee Rider trial program.

Long Beach Transit believes this to be an important and valuable program that will work to address the parking problems experienced in the area. Considering that about 63% of Belmont Shore employees currently drive to work, and about 8% are already riding the bus (according to a BSBA sample survey), plus the fact that the price of gas is nearing \$5 per gallon, we estimate that approximately 500 people working in Belmont Shore would take advantage of the program.

In order to make the program successful, it is critically important that the program be extensively marketed directly to the employees. If our proposal is acceptable to the BSBA, Long Beach Transit would pay up to \$2,500 to support a mutually agreed upon marketing program as well as cover the cost of printing Belmont Shore Employee custom bus passes.

In return, LBT would ask the BSBA to communicate the program directly to the businesses, distribute the passes to the employees, and pay for a trial program. The average rate LBT receives from a 30-day bus pass holder is 86¢ per ride. Anticipating a one-month trial program ridership of 500 BSBA employees, that fee would translate to about \$25,800 per month. (500 employees X \$1.72 round trip X 30 days). Considering this to be a trial program, we would like to offer a rate of 50¢ per ride for a one month trial program with a payment cap of \$15,000. This would allow employees of Belmont Shore businesses unlimited rides on all LBT bus routes 7-days per week and the BSBA would only be paying for employees that take advantage of the program. Before the program would set to expire, we would get together to discuss the potential of a year-round program.

We have enjoyed working with the BSBA and hope to have the opportunity to work with you on this very special program that will benefit the businesses, employees and residents in Belmont Shore. Please contact me directly if you have any questions at 562-599-8559 or mepley@lbtransit.com.

Sincerely,

Marcelle Epley
Chief Administrative Officer & Senior Vice President