

# LEASE AGREEMENT WITH LIVE NATION WORLDWIDE, INC. – FOX PERFORMING ARTS CENTER & RIVERSIDE MUNICIPAL AUDITORIUM

Parks, Recreation and Community Services Department

Budget Engagement Commission  
August 8, 2024

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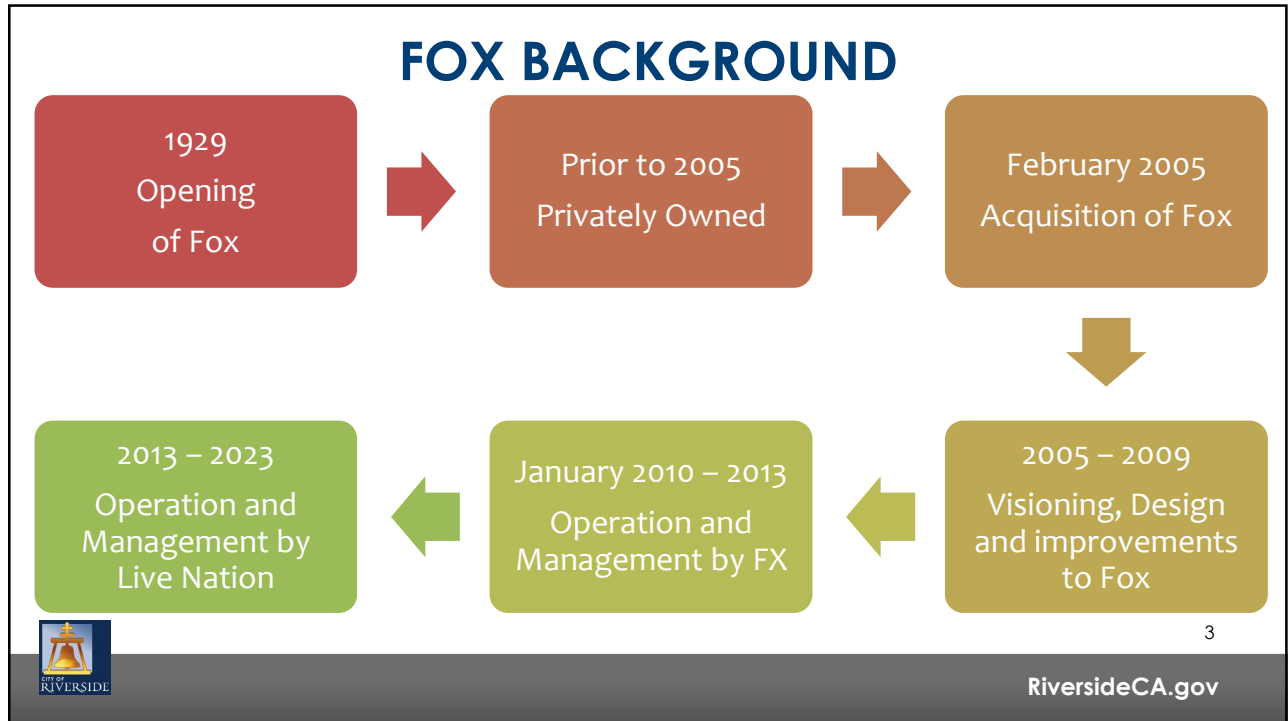
## KEY FOX HISTORY



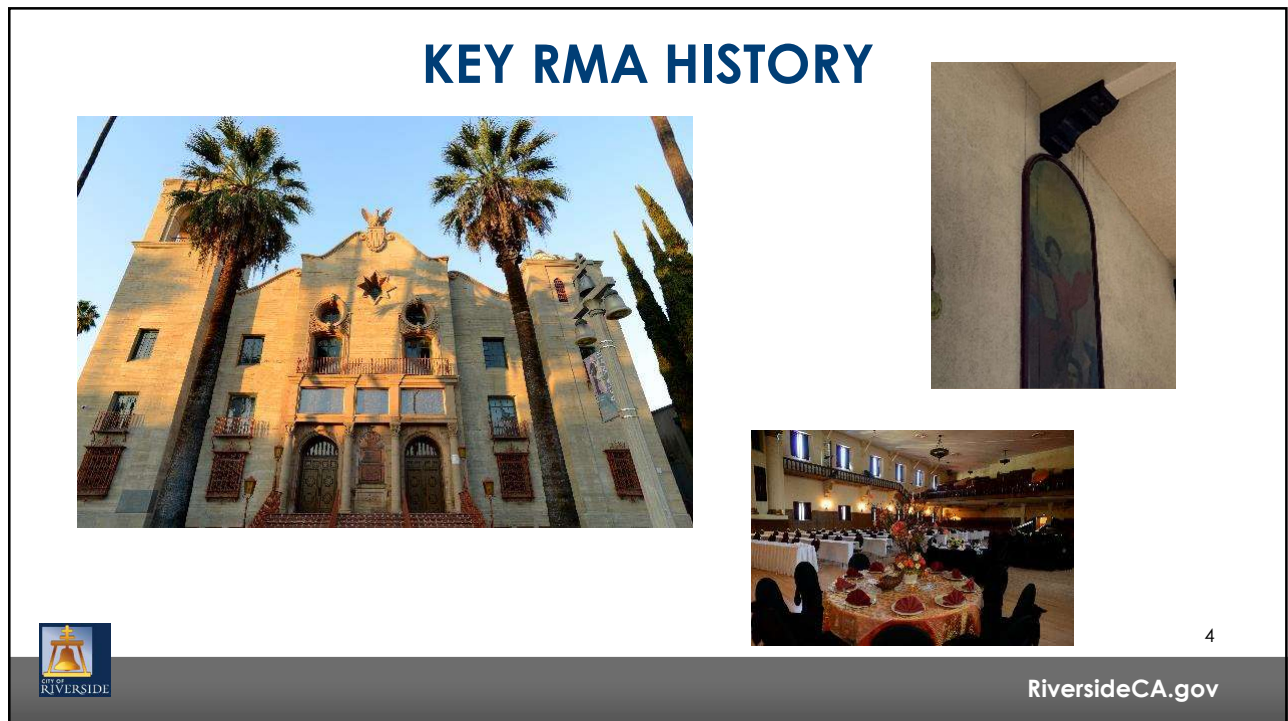
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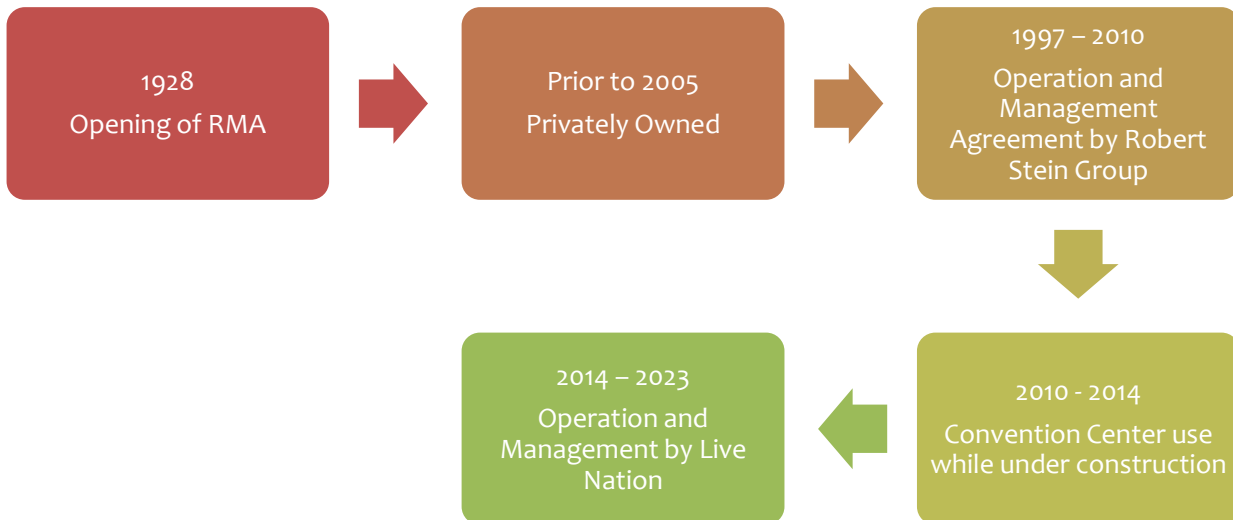


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## RMA BACKGROUND

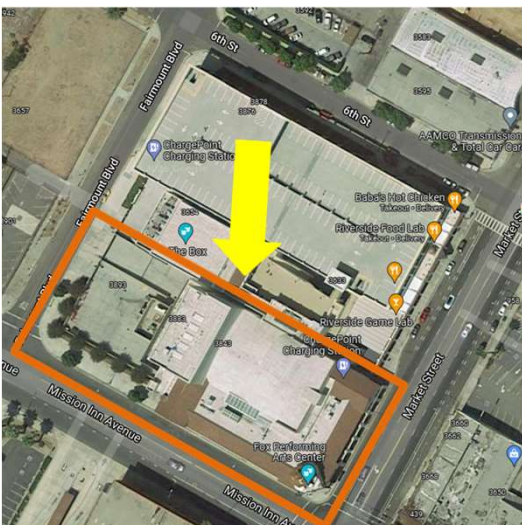


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## SITE MAPS



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## IMPROVEMENTS



- Painting the Fox
- Replacement of Carpet
- Electrical (stage) at RMA
- Sound and Lighting at Fox



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## DISCUSSION

**October 2021:** Received Letter of Intent

**November 2021:** Received Direction for Negotiations

**January 2022 – November 2023:** Negotiations (took longer due to health issues of staff and staffing changes)

**June 2023 – June 2024:** Amendments to Operation and Management Agreements

**June 2024:** City Council Approved Lease Agreement



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## KEY TERMS

- Initial Term: eight (8) years with one eight (8) year option
- Base Rent:
  - Years 1 through 5: \$200,000
  - Years 6 through 10: \$225,000
  - Years 11 through 16: \$250,000
- Additional Rent: \$2.00 per paid ticket with promoted events
- Six (6) uses per year by Landlord



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## KEY TERMS (CONT.)

- Fox Theater Foundation MOU and office space
- Complimentary Tickets: Twenty (20) open to public and presented or promoted by Live Nation
- Broadway in Riverside: Good faith effort to ensure events and programming annually



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## FISCAL

Fox Theater	2019	2020	2021	2022	2023
Operating Revenues	\$ 4,248,255	\$ 3,585,833	\$ 54,664	\$ 3,457,507	\$ 4,766,568
Operating Expenditures	4,429,628	4,326,912	921,735	3,979,852	4,723,376
<b>Net Profit/(Loss)</b>	<b>\$ (181,373)</b>	<b>\$ (741,079)</b>	<b>\$ (867,071)</b>	<b>\$ (522,345)</b>	<b>\$ 43,192</b>

General Fund Contribution					
Operating & Other Expenses	\$ 287,347	\$ 759,612	\$ 1,111,812	\$ 792,046	\$ 234,866
Debt Service	2,170,125	2,243,645	2,244,930	2,216,639	2,129,335
<b>Total GF Contribution</b>	<b>\$ 2,457,472</b>	<b>\$ 3,003,257</b>	<b>\$ 3,356,742</b>	<b>\$ 3,008,685</b>	<b>\$ 2,364,201</b>

Riverside Municipal Auditorium	2019	2020	2021	2022	2023
Operating Revenues	\$ 2,569,478	\$ 1,659,945	\$ 138	\$ 2,791,996	\$ 3,499,393
Operating Expenditures	2,760,423	2,259,437	610,467	3,027,825	3,356,904
<b>Net Profit/(Loss)</b>	<b>\$ (190,945)</b>	<b>\$ (599,492)</b>	<b>\$ (610,329)</b>	<b>\$ (235,829)</b>	<b>\$ 142,489</b>

General Fund Contribution					
Operating & Other Expenses	\$ 176,373	\$ 590,642	\$ 660,085	\$ 238,676	\$ (126,772)
Debt Service	148,098	146,454	146,470	16,866	15,961
<b>Total GF Contribution</b>	<b>\$ 324,471</b>	<b>\$ 737,096</b>	<b>\$ 806,555</b>	<b>\$ 255,542</b>	<b>\$ (110,811)</b>



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## FISCAL – LEASE

Fox Theater & RMA	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Lease Revenue	\$200,000	\$200,000	\$200,000	\$200,000	\$225,000	\$225,000	\$225,000	\$225,000
Ticket Revenue	\$206,343	\$212,533	\$218,909	\$225,477	\$232,241	\$239,208	\$246,384	\$253,776
<b>Total Revenue</b>	<b>\$406,343</b>	<b>\$412,533</b>	<b>\$418,909</b>	<b>\$425,477</b>	<b>\$432,241</b>	<b>\$464,208</b>	<b>\$471,384</b>	<b>\$478,776</b>



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# FISCAL COMPARISON

## General Fund Subsidy

Past:

- All programming, operations
- All Maintenance
- Insurance; and
- Debt Service

Now:

- Limited Maintenance
- Insurance; and
- Debt Service



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# STRATEGIC PLAN ALIGNMENT

## Strategic Priority 1 – Arts, Culture, and Recreation

Goal 1.1

## Strategic Priority 5 – Environmental Stewardship

Goal 5.4

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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## RECOMMENDATION

That the Budget Engagement Commission receive and file an update on the Lease Agreement for the operation and management of the Fox Performing Arts Center and Riverside Municipal Auditorium, with Live Nation Worldwide, Inc.

