



**FIRST AMENDMENT TO AGREEMENT  
WITH RAINCROSS HOSPITALITY CORPORATION FOR  
MANAGEMENT OF THE RIVERSIDE CONVENTION  
AND VISITORS BUREAU AND RIVERSIDE SPORTS  
COMMISSION**

**General Services Department**

**Financial Performance and Budget Committee**

May 10, 2023

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**BACKGROUND**

There are two (2) operating agreements with Raincross Hospitality Corporation:

1. The main operating agreement for management of the Convention Center, which expires on June 30, 2028; and
2. A separate agreement for management of the Riverside Convention and Visitors Bureau (Visitors Bureau) and Riverside Sports Commission (Sports Commission), which expires on June 30, 2023.



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## VISITORS BUREAU AND SPORTS COMMISSION

The Visitors Bureau markets and promotes Riverside as a premier destination for conventions and meetings.

The Sports Commission markets and promotes Riverside as a destination for athletic events.

1. Visitors Bureau base annual compensation of \$1,100,000, subject to annual CPI increases.
2. Sports Commission base annual compensation of \$150,000, subject to annual CPI increases.



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## VISITORS BUREAU KEY PERFORMANCE INDICATORS

- Number of Solicitation Calls and Emails
- Room Nights Booked:
  - FY 23/24 Goal: 28,350
- Convention Center Revenue Contribution:
  - Goal generate 50% of total revenue
- Conversions/Lead-to-Contact: % of leads that convert to a signed contract
- Site Inspections
- Average Daily Rate Increase (Hotels)



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## SPORTS COMMISSION KEY PERFORMANCE INDICATORS

- Number of Solicitation Calls and Emails
- Room Nights Booked:
  - FY 23/24 Goal: 7,700
- Conversions/Lead-to-Contact: % of leads that convert to a signed contract
- Site Inspections
- Average Daily Rate Increase (Hotels)



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## ENHANCED MARKETING LAUNCH

- “Explore Riverside” website launching mid-2023:
- Tourism information for meeting planners and visitors.
  - Convention Center
  - Downtown Hotels
  - Restaurants
  - Nightlife
  - Arts and Culture Scene



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## FIRST AMENDMENT TO AGREEMENT

The proposed First Amendment to this Agreement includes the following key provisions:

1. Five Year Extension. The management term is being extended to June 30, 2028, to synch with the expiration date of the Convention Center Agreement, as noted in Section II, TERM of the amendment.
2. Consumer Price Index. Updates the Consumer Price Index to include Riverside-San Bernardino-Ontario, CA as its own Core Based Statistical Area, as noted in Section III, COMPENSATION.



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## FIRST AMENDMENT TO AGREEMENT

Key provisions (continued):

3. Quarterly Hotel Partner Meetings. Updates Scope of Services to require Raincross to hold quarterly hotel partner meetings, as noted in Section IV, SCOPE OF SERVICES.
4. City Two-Year Budget. Updates the budget procedure by requiring the City to provide a projected two-year budget preparation schedule to Raincross on or before December of alternate years and requiring Raincross to comply with the timelines set forth in the schedule, as noted in Section V, PAYMENT OF EXPENSES, DAY-TO-DAY OPERATIONS.



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## FY 2022-23 Q1 – Q3 ESTIMATED ECONOMIC IMPACT

**Visitors Center: \$9,144,850** based on hotel room nights, Convention Center revenue and estimated \$64 per day spend by visitors (22,088) for meals, transportation/gas, retail/shopping, bars/nightclubs, and other entertainment.

**Sports Commission: \$3,290,880** based on hotel room nights, Convention Center revenue, and estimated \$64 per day spend by visitors (14,176) for meals, transportation/gas, retail/shopping, bars/nightclubs, and other entertainment.



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## FY 22/23 MANAGEMENT FEES FOR VISITORS BUREAU AND SPORTS COMMISSION AGREEMENT

FY 22-23 Management Fees for the Visitors Bureau and Sports Commission (including annual CPI increase):

- Visitors Bureau = \$1,775,668
- Sports Commission = \$206,397



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## COMBINED FISCAL IMPACT FOR BOTH AGREEMENTS

| Fiscal Year    | Convention Center Agreement* | Visitors Bureau and Sports Commission Agreement** | Total                  |
|----------------|------------------------------|---|------------------------|
| 21-22          | \$5,176,105.22               | \$1,801,173.00                                    | \$6,977,278.22         |
| 20-21          | \$5,384,164.84               | \$1,739,255.52                                    | \$7,123,420.36         |
| 19-20          | \$4,501,414.34               | \$1,698,276.00                                    | \$6,199,690.34         |
| 18-19          | \$3,420,342.40               | \$1,651,184.28                                    | \$5,071,526.68         |
| 17-18          | \$3,289,504.64               | \$1,591,840.44                                    | \$4,881,345.08         |
| <b>Totals:</b> | <b>\$21,771,531.44</b>       | <b>\$8,481,729.24</b>                             | <b>\$30,253,260.68</b> |

\*Convention Center totals include debt service est. at \$3 mil annually, plus management fee, incentive bonus, and agency account replenishment.

\*\*For the Visitors Bureau and Sports Commission, the management fee is the only general fund impact.



## STRATEGIC PLAN ALIGNMENT

### Strategic Priority 5: High Performing Government

**Goal 5.4: Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.**

#### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



## RECOMMENDATIONS

That the Financial Performance and Budget Committee:

1. Review and provide direction on the First Amendment to the Management and Operations Agreement with Raincross Hospitality Corporation for the Riverside Convention & Visitors Bureau and Riverside Sports Commission to extend for one additional 5-year term to 2028, update the CPI and other clarifying issues for a base contract amount of \$1,100,000 plus an annual CPI increase for the Visitors Bureau, and \$150,000 base contract amount plus an annual CPI increase for the Sports Commission; and



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## RECOMMENDATIONS

Continued:

2. Forward the First Amendment to the Management and Operations Agreement with Raincross Hospitality Corporation for the Riverside Convention & Visitors Bureau and Riverside Sports Commission to the City Council for consideration.



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