



Budget Presentation to the City Council

Raincross Hospitality
Corporation
Riverside Convention Center
Riverside Convention & Visitors
Bureau
Riverside Sports Commission

City Council
May 10, 2016

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DEPARTMENT OPERATIONS

- Raincross Hospitality Corporation manages the Riverside Convention Center, Riverside Convention & Visitors Bureau, and the Riverside Sports Commission for the City of Riverside



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DEPARTMENT ORGANIZATION

- Riverside Convention Center (90-130)
- RCVB (6)
- Sports Commission (1)



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ORGANIZATION CHART



ORGANIZATIONAL CHART



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PERFORMANCE MANAGEMENT

Convention Center

- Total Revenue
- Operational profitability
- Client event questionnaires
- Number of events
- Revenue per square foot

RCVB & Sports Commission

- Room nights booked
- Hotel average daily rate increase
- Market mix
- Attrition



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ACCOMPLISHMENTS AND GOALS

Riverside Convention Center

- Operational Profitability
- Record-breaking revenue
- 96.6% Clients satisfaction scores
- Industry-unique partnership with Loma Linda University Health
- Press Enterprise Top Workplace
- Goals: Drive increased revenue; remain profitable; attain high satisfaction scores; leverage partnerships; increase sustainability initiatives; fill early week space availability

RCVB

- Successful pivot to new, higher-rated business
- Successfully competing against destination locations
- Goals: Book 24,000 hotel room nights; increase average daily rate by 5%; continue strong push to earn new, higher-rated business

Sports Commission

- Continued success in attracting state, national and international competitions
- New venue development (Riverside Golf Course)
- Goals: Book 6,000 hotel room nights; increase average daily rate by 5%; further expansion beyond expand beyond aquatics competitions



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EXPENDITURES

Riverside Convention Center Expenses

- FY2013/14: \$ 1,509,886 (actual)
- FY2014/15: \$ 4,654,180 (actual)
- FY2015/16: \$ 5,185,600 (estimate)
- FY2016/17: \$ 5,392,313 (estimate)
- FY2017/18: \$ 5,608,714 (estimate)

Riverside Convention & Visitors Bureau Expenses

- FY2013/14: \$ 1,100,000
- FY2014/15: \$ 1,155,000
- FY2015/16: \$ 1,255,000
- FY2016/17: \$ 1,234,559
- FY2017/18: \$ 1,265,423

Riverside Sports Commission Expenses

- FY2013/14: \$ 150,000
- FY2014/15: \$ 157,500
- FY2015/16: \$ 257,500
- FY2016/17: \$ 253,306
- FY2017/18: \$ 259,639



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FINANCIAL SUMMARY

RIVERSIDE CONVENTION CENTER	FY 2013-14 (Actuals)	FY 2014-15 (Actuals)	FY 2015-16 (Projected)	FY 2016-17 Proposed	FY 2017-18 Proposed
Operating Revenue \$	1,539,388	\$ 5,128,156	\$ 5,600,000	\$ 5,817,656	\$ 6,021,281
Operating Expense \$	1,509,886	\$ 4,654,180	\$ 5,185,600	\$ 5,392,313	\$ 5,608,714
<i>Net Operating (Revenue)/Expense</i> \$	<i>(29,502)</i>	<i>\$ (473,976)</i>	<i>\$ (414,400)</i>	<i>\$ (425,343)</i>	<i>\$ (412,567)</i>
Management Fee \$	**150,000	\$ 420,000	\$ 480,000	\$ 472,182	\$ 483,845
Incentive Bonus \$	-	\$ -	\$ 84,000	\$ 86,000	\$ 96,800
Total RCC Expense \$	137,164	\$ (53,976)	\$ 149,600	\$ 132,839	\$ 168,078

*assumes 4% reduction applied in 2016/17

**4 months (February through June)

-11%

27%



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4% REDUCTIONS

Riverside Convention Center Expenses

- Management Fee \$
- Incentive \$

Riverside Convention & Visitors Bureau Expenses

- \$51,440 reduction

Riverside Sports Commission Expenses

- \$10,554 reduction

Impacts

- Ability to provide incentives and/or attend trade shows minimized
- Potential reduction in convention and sporting group business
- Potential reduction in awareness of Riverside amenities



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CHALLENGES

- Limited hotel options
- Lack of airport shuttle from ONT International
- Competition with self-contained properties
- Minimum wage law
- Budget constraints



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CRITICAL UNFUNDED NEEDS

Riverside Convention Center's critical unfunded needs:

FY 2015-2016: Build-out of additional office space (\$100,000)

- Business levels require additional space to house front office personnel

FY 2016-2017: Additional safety warnings located at entrance of parking lot 33 (undetermined cost)

- Accidents occurring in the parking lot require enhanced safety measures

FY 2017-2018: Parking lot automation (\$500,000)

- New system is more effective and efficient
- New system would recoup a portion, if not all, of the initial investment over a multi-year period



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QUESTIONS FROM CITY COUNCIL

- Questions ???



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