



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: DECEMBER 6, 2016**
FROM: GENERAL SERVICES DEPARTMENT **WARDS: ALL**
SUBJECT: RAINCROSS HOSPITALITY ANNUAL REPORT

ISSUE:

Receive an annual update from the Raincross Hospitality Corporation, operator of the Riverside Convention Center, and the City's partner on the Riverside Convention and Visitors' Bureau and Sports Commission contracts.

RECOMMENDATIONS:

That the City Council receive and file this report.

BACKGROUND:

The Raincross Hospitality Corporation (RHC) manages the Riverside Convention Center (Convention Center), and administers the Riverside Convention and Visitors' Bureau (RCVB) and the Riverside Sports Commission (RSC) contracts on behalf of the City of Riverside. Prior to RHC, Entrepreneurial Hospitality Corporation (EHC) managed the operations of the Convention Center, RSC and RCVB. A timeline of council actions relating to management of the Convention Center, RCVB and RSC is provided in the table below.

Council Date	Parties	Summary
June 1996	City and EHC	Agreement to operate Convention Center
November 10, 2009	City and EHC	Added RCVB to EHC management responsibility
August 28, 2012	City and RHC	Authorized RHC to assume EHC management agreement terms
August 27, 2013	City and RHC	Authorized current Qualified Convention Center Management Agreement (Convention Center Agreement) and created a separate combined Management and Operations Agreement that covered RCVB and RSC, with RSC serving as a function of the RCVB (RCVB/RSC Agreement). Both of these agreements expire June 30, 2023.

DISCUSSION:

The Raincross Hospitality Corporation provides quarterly reports and an annual financial statement to the City in compliance with their Agreements. Quarterly reports include but are not limited to profit and loss statements, and operational data such as bookings, hotel utilization, revenue from economic impacts, and facility maintenance reports for the Convention Center.

In the past, both reporting as well as budget requests from RHC had been handled administratively, with no public presentations. Beginning this year, the Raincross Hospitality Corporation had been involved in the budget presentations and deliberations (which occurred in February-May for the current two-year budget). RHC's annual reports will also now be presented publicly to the City Council. The reports will include performance measures that will later be officially incorporated into the Citywide Performance Measurement and Reporting Program.

The attached annual report from the RHC outlines the financial performance, operational updates, and key trends for the Convention Center, the Convention and Visitors' Bureau and the Sports Commission for the Fiscal Year ending June 30, 2016.

FISCAL IMPACT:

There is no fiscal impact associated with this report. The following reflects budget information and financial performance for each RHC entity for the Fiscal Year ending June 30, 2016.

	Expenditures		Revenue	
	Budget	Actual	Budget	Actual
Riverside Convention Center Operating Contract	\$4,420,000	\$5,429,105	\$4,500,000	\$5,918,801
Riverside Convention Center Management Fee	\$480,000	\$487,274 ¹	n/a	n/a
Riverside Sports Commission & Riverside Convention & Visitors Bureau	\$1,512,500	\$1,512,000	n/a	n/a

¹ Correction of prior FY calculation error

Prepared by: Carl Carey, General Services Director
 Certified as to availability of funds: Scott G. Miller, Ph.D., Chief Financial Officer/ City Treasurer
 Approved by: Marianna Marysheva, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachment: Presentation