



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 12, 2019**
FROM: GENERAL SERVICES DEPARTMENT **WARD: ALL**
SUBJECT: RAINCROSS HOSPITALITY CORPORATION 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 Visitor's Bureau and Sports Commission contracts.

RECOMMENDATION:

That the City Council receive and file this annual update from the Raincross Hospitality Corporation on the Riverside Convention and Visitor's Bureau and Sports Commission contracts.

BACKGROUND:

Raincross Hospitality Corporation (RHC) 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 operating data such as bookings, hotel utilization, revenue from economic impacts, and facility maintenance reports for the Convention Center.

Beginning in FY 2016-17, RHC became more involved in budget presentations and deliberations and began presenting reports to the City Council summarizing prior year actual activities as well as future year planned activities and financials.

DISCUSSION:

This annual update summarizes financial performance, operating updates and key trends for the Riverside Convention Center, the Riverside Convention and Visitors' Bureau, and the Riverside Sports Commission for the Fiscal Year ending June 30, 2018.

FISCAL IMPACT:

There is no fiscal impact associated with this report. For reference, below is a financial summary of revenues and expenses related to the Convention Center agreement and a summary of funding and economic impact for the Convention & Visitor's Bureau and Sports Commission agreements.

Agreement	FY 2017/18 Operating Revenue	FY 2017/18 Operating Expenses	FY 2017/18 Net Operating
Convention Center	\$7,346,580 ¹	\$6,599,937 ¹	\$746,643

¹ Source: Audited financial statements provided by RHC

As of June 30, 2018, the ending debt balance was \$38.5M, with an annual debt requirement of \$3.4M. The debt requirement matures (ends) in Fiscal Year 2034. Additionally, the City pays RHC a combined management fee of approximately \$2.2 million to operate the Convention Center, Visitor's Bureau and Sports Commission. The net result is a required general fund contribution of approximately \$4.9 million to make this portion of the Civic Entertainment fund whole.

FY 2017/18 General Fund Contribution	FY 2017/18 Economic Impact	
\$4,881,345 (\$3,590,425 Related to Debt Service Cost)	Riverside Convention Center & Visitors Bureau	\$17,967,005
	Riverside Sports Commission	\$4,535,981

Prepared by: Carl Carey, General Services Director
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
 Approved by: Moises Lopez, Deputy City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachment: Presentation