



CONVENTION CENTER AGREEMENT SECOND AMENDMENT

General Services Department

City Council
September 17, 2019

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BACKGROUND

1. 1974 - Riverside Convention Center was constructed;
2. August 2013 – City Council approved Agreement with Raincross Hospitality Corporation for management and operation of the Convention Center for a 10 year term;
3. October 2013 – City Council approved First Amendment to Agreement with Raincross Hospitality Corporation to:
 - a) Update reference to City Purchasing Resolution; and
 - b) Clarify procurement process for repairs, maintenance and construction related to Convention Center.



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BACKGROUND

4. March 2014 – Convention Center reopens after \$45 million renovation.



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CONVENTION CENTER AGREEMENT SECOND AMENDMENT – KEY PROVISIONS

1. Term: Extend by five (5) years to 2028;
2. Plaza Area: Convention Center has exclusive use of the 10,000 sq. ft. plaza and landscaped areas adjacent to the Convention Center until such time as the Plaza Area is included in any proposed development of Parking Lot 33;
3. Target Annual Revenue Budget Procedures: Updates budget procedures to reflect City's two-year budget preparation schedule;



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CONVENTION CENTER AGREEMENT SECOND AMENDMENT – KEY PROVISIONS (CONT.)

4. Capital Projects: Includes allocation of a percentage of Convention Center profits (up to \$100,000) for potential capital projects/facility improvements;
5. Consumer Price Index: Updates the CPI to include Riverside-San Bernardino-Ontario as its own Core Based Statistical Area;



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CONVENTION CENTER AGREEMENT SECOND AMENDMENT – KEY PROVISIONS (CONT.)

6. Parking Lot 33 and Convention Center Expansion:
 - a) Includes language stating that the City intends to develop Lot 33 with a private developer;
 - b) Will phase construction so as to minimize impact on Convention Center operations; and
 - c) Parties agree to renegotiate terms upon the earlier of the issuance of grading permit for the new parking structure or any other aspect of Parking Lot 33 development.



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CONVENTION CENTER AGREEMENT SECOND AMENDMENT – KEY PROVISIONS (CONT.)

7. Request for Proposals:

- a) Includes language stating on or before December 2026, the City shall issue a Request for Proposals to procure a management firm to manage the Convention Center at the end of this Agreement.
- b) In the event RHC does not respond to the RFP, or is not the successful proposer, Manager will cooperate and ensure a smooth transition.



FISCAL IMPACT

There are no changes to agreement compensation provisions, and no additional fiscal impact associated with approval of the proposed amendments.

Qualified Management Agreement	FY 2019-20 Base + CPI Increases	Incentive Bonus (if revenues exceed \$5mil)	Total
Riverside Convention Center	\$561,024	\$109,093	\$670,117



RECOMMENDATIONS

That the City Council:

1. Approve the Second Amendment to Qualified Convention Center Management Agreement with Raincross Hospitality Corporation to extend the Agreement for one additional five-year term to 2028, update the Consumer Price Index and target annual revenue budget procedure, allocate up to \$100,000 of Convention Center profits for capital improvement projects, and other clarifying issues, for a base contract amount of \$400,000 plus an annual CPI increase and opportunities for an incentive bonus; and
2. Authorize the City Manager, or his designee, to execute the Second Amendment to the Qualified Convention Center Management Agreement with Raincross Hospitality Corporation, including making minor and non-substantive changes.



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