



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 4, 2020**
FROM: GENERAL SERVICES DEPARTMENT **WARDS: 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 Visitors Bureau and Riverside Sports Commission contracts.

RECOMMENDATIONS:

That the City Council receive and file this annual update from the Raincross Hospitality Corporation on the Riverside Convention and Visitors Bureau and Riverside 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.

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, 2019.

FISCAL IMPACT:

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 Riverside Convention & Visitors Bureau and Riverside Sports Commission agreements.

Agreement	FY 2018/19 Operating Revenue	FY 2018/19 Operating Expenses	FY 2018/19 Net Operating Profit
Convention Center	\$8,435,669	\$7,535,577	\$900,092

Source: Audited financial statements provided by RHC.

As of June 30, 2019, the ending debt balance was \$34.5 million, with an annual debt requirement of \$3.5 million. The debt requirement matures (ends) in Fiscal Year 2034. Additionally, the City pays RHC a combined compensation of approximately \$2.3 million to operate the Convention Center, Visitors Bureau and Sports Commission. With the offsetting \$900,092 in operating profit, the net result is a required general fund contribution of approximately \$5.1 million to make this portion of the Civic Entertainment fund whole.

FY 2018/19 General Fund Contribution	FY 2018/19 Economic Impact	
\$5,071,527 (\$3,469,931 related to Debt Service)	Riverside Convention & Visitors Bureau	\$14,548,188
	Riverside Sports Commission	\$8,114,409

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