



**FIRST AMENDMENT TO AGREEMENT
WITH RAINCROSS HOSPITALITY CORPORATION FOR
MANAGEMENT OF THE RIVERSIDE CONVENTION
AND VISITORS BUREAU AND RIVERSIDE SPORTS
COMMISSION**

General Services Department

City Council
June 20, 2023

RiversideCA.gov

BACKGROUND

There are two (2) operating agreements with Raincross Hospitality Corporation:

1. The main operating agreement for management of the Convention Center, which expires on June 30, 2028; and
2. A separate agreement for management of the Riverside Convention and Visitors Bureau (Visitors Bureau) and Riverside Sports Commission (Sports Commission), which expires on June 30, 2023.



2

RiversideCA.gov

VISITORS BUREAU AND SPORTS COMMISSION

The Visitors Bureau markets and promotes Riverside as a premier destination for conventions and meetings.

The Sports Commission markets and promotes Riverside as a destination for athletic events.

1. Visitors Bureau base annual compensation of \$1,100,000, subject to annual CPI increases.
2. Sports Commission base annual compensation of \$150,000, subject to annual CPI increases.



3

RiversideCA.gov

VISITORS BUREAU KEY PERFORMANCE INDICATORS

- Number of Solicitation Calls and Emails
- Room Nights Booked:
 - FY 23/24 Goal: 28,350
- Convention Center Revenue Contribution:
 - Goal generate 50% of total revenue
- Conversions/Lead-to-Contact: % of leads that convert to a signed contract
- Site Inspections
- Average Daily Rate Increase (Hotels)



4

RiversideCA.gov

VISITORS BUREAU FUTURE PERFORMANCE INDICATORS

- Additional metrics requested by the Financial Performance and Budget Committee:
 - No. of Bookings specific to alternate venues, including the Fox, Riverside Municipal Auditorium and the Cheech
 - Develop metrics to capture visitor spending, perhaps with coupons or incentives to drive visitor business to Riverside restaurants, bars, retail shops and entertainment venues.
 - Reporting on diversity of groups and organizations requesting bookings, and how booking decisions are made.



5

RiversideCA.gov

SPORTS COMMISSION KEY PERFORMANCE INDICATORS

- Number of Solicitation Calls and Emails
- Room Nights Booked:
 - FY 23/24 Goal: 7,700
- Conversions/Lead-to-Contact: % of leads that convert to a signed contract
- Site Inspections
- Average Daily Rate Increase (Hotels)



6

RiversideCA.gov

ENHANCED MARKETING LAUNCH

“Explore Riverside” website launching mid-2023:

- Tourism information for meeting planners and visitors.
- Convention Center
- Downtown Hotels
- Restaurants
- Nightlife
- Arts and Culture Scene



7

RiversideCA.gov

FIRST AMENDMENT TO AGREEMENT

The proposed First Amendment to this Agreement includes the following key provisions:

1. Five Year Extension. The management term is being extended to June 30, 2028, to synch with the expiration date of the Convention Center Agreement, as noted in Section II, TERM of the amendment.
2. Consumer Price Index. Updates the Consumer Price Index to include Riverside-San Bernardino-Ontario, CA as its own Core Based Statistical Area, as noted in Section III, COMPENSATION.



8

RiversideCA.gov

FIRST AMENDMENT TO AGREEMENT

Key provisions (continued):

3. Quarterly Hotel Partner Meetings. Updates Scope of Services to require Raincross to hold quarterly hotel partner meetings, as noted in Section IV, SCOPE OF SERVICES.
4. City Two-Year Budget. Updates the budget procedure by requiring the City to provide a projected two-year budget preparation schedule to Raincross on or before December of alternate years and requiring Raincross to comply with the timelines set forth in the schedule, as noted in Section V, PAYMENT OF EXPENSES, DAY-TO-DAY OPERATIONS.



9

RiversideCA.gov

FY 2022-23 Q1 – Q3 ESTIMATED ECONOMIC IMPACT

Visitors Center: \$9,144,850 based on hotel room nights, Convention Center revenue and estimated \$64 per day* spend by visitors (22,088) for meals, transportation/gas, retail/shopping, bars/nightclubs, and other entertainment.

Sports Commission: \$3,290,880 based on hotel room nights, Convention Center revenue, and estimated \$64 per day* spend by visitors (14,176) for meals, transportation/gas, retail/shopping, bars/nightclubs, and other entertainment.

* \$64 per day is based on the California State per diem rate for meals and incidentals.



10

RiversideCA.gov

FY 22/23 AND FY/23/24 MANAGEMENT FEES VISITORS BUREAU AND SPORTS COMMISSION AGREEMENT

Fiscal Year	Business Division	Account Number	Amount
FY 2022/23	Sports Commission	2250100-459973	\$206,397
	Visitors Bureau	2250100-459974	\$1,775,668
		FY 2022/23:	\$1,982,065
FY 2023/24	Sports Commission	2250100-459973	\$215,808
	Visitors Bureau	2250100-459974	\$1,856,638
		FY 2023/24:	\$2,072,446



11

RiversideCA.gov

COMBINED FISCAL IMPACT FOR BOTH AGREEMENTS

Fiscal Year	Convention Center Agreement*	Visitors Bureau and Sports Commission Agreement**	Total
21-22	\$5,176,105.22	\$1,801,173.00	\$6,977,278.22
20-21	\$5,384,164.84	\$1,739,255.52	\$7,123,420.36
19-20	\$4,501,414.34	\$1,698,276.00	\$6,199,690.34
18-19	\$3,420,342.40	\$1,651,184.28	\$5,071,526.68
17-18	\$3,289,504.64	\$1,591,840.44	\$4,881,345.08
Totals:	\$21,771,531.44	\$8,481,729.24	\$30,253,260.68

*Convention Center totals include debt service est. at \$3 mil annually, plus management fee, incentive bonus, and agency account replenishment.

**For the Visitors Bureau and Sports Commission, the management fee is the only general fund impact.



12

RiversideCA.gov

STRATEGIC PLAN ALIGNMENT

Strategic Priority 5: High Performing Government

Goal 5.4: Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



13

RiversideCA.gov

RECOMMENDATIONS

That the City Council:

1. Approve the First Amendment to the Management and Operations Agreement with Raincross Hospitality Corporation for the Riverside Convention & Visitors Bureau and Riverside Sports Commission to extend for one additional 5-year term to 2028, update the CPI and other clarifying issues for a base contract amount of \$1,100,000 plus an annual CPI increase for the Visitors Bureau, and \$150,000 base contract amount plus an annual CPI increase for the Sports Commission; and



14

RiversideCA.gov

RECOMMENDATIONS

Continued:

2. Authorize the City Manager or his designee to execute the First Amendment to the Management and Operations Agreement with Raincross Hospitality Corporation for the Riverside Convention & Visitors Bureau and Riverside Sports Commission, including making minor and non-substantive changes.



15

RiversideCA.gov