

# LEASE AGREEMENT WITH LIVE NATION WORLDWIDE, INC. – FOX PERFORMING ARTS CENTER & RIVERSIDE MUNICIPAL AUDITORIUM

Community & Economic Development Department

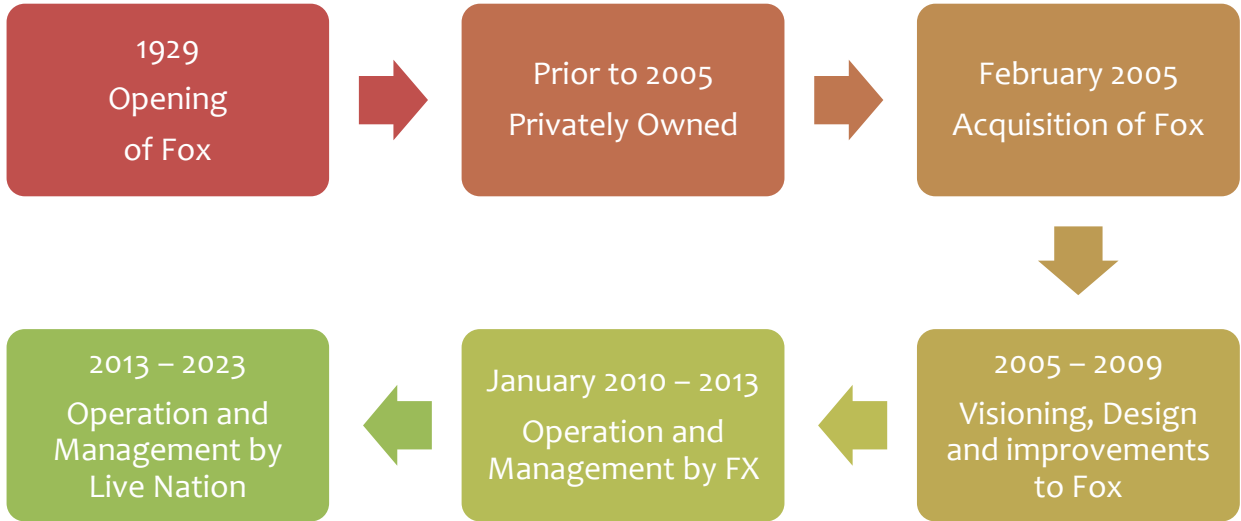
City Council  
June 11, 2024

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## KEY FOX HISTORY



## FOX BACKGROUND



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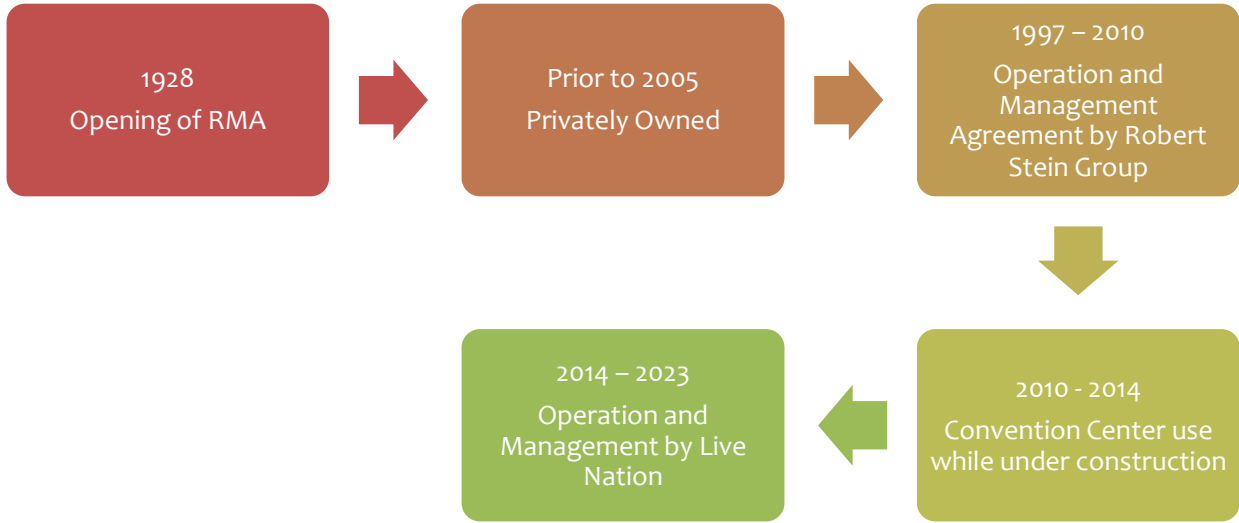
## KEY RMA HISTORY



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# RMA BACKGROUND



# SITE MAPS



## IMPROVEMENTS



- Painting the Fox
- Replacement of Carpet
- Electrical (stage) at RMA
- Sound and Lighting at Fox



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## DISCUSSION

October 2021: Received Letter of Intent

November 2021: Received Direction for Negotiations

January 2022 – November 2023: Negotiations (took longer due to health issues of staff and staffing changes)

June 2023 – June 2024: Amendments to Operation and Management Agreements



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## KEY TERMS

- Initial Term: eight (8) years with one eight (8) year option
- Base Rent:
  - Years 1 through 5: \$200,000
  - Years 6 through 10: \$225,000
  - Years 11 through 16: \$250,000
- Additional Rent: \$2.00 per paid ticket with promoted events
- Six (6) uses per year by Landlord



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## KEY TERMS (CONT.)

- Fox Theater Foundation MOU and office space
- Complimentary Tickets: Twenty (20) open to public and presented or promoted by Live Nation
- Broadway in Riverside: Good faith effort to ensure events and programming annually



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## FISCAL (CONT.)

Fox Theater	2019	2020	2021	2022	2023
Operating Revenues	\$ 4,248,255	\$ 3,585,833	\$ 54,664	\$ 3,457,507	\$ 4,766,568
Operating Expenditures	3,927,009	3,786,079	588,402	3,479,852	4,223,376
Management Fee	500,000	500,000	500,000	500,000	500,000
<b>Net Profit/(Loss)</b>	<b>\$ (178,754)</b>	<b>\$ (700,246)</b>	<b>\$ (1,033,738)</b>	<b>\$ (522,345)</b>	<b>\$ 43,192</b>
<b>General Fund Contribution</b>					
Offsets & Other Expenses	\$ 108,593	\$ 18,533	\$ 244,741	\$ 241,108	\$ 278,058
Debt Service	2,170,125	2,243,645	2,244,930	2,245,232	2,129,335
<b>Total GF Contribution</b>	<b>\$ 2,457,472</b>	<b>\$ 3,003,257</b>	<b>\$ 3,356,742</b>	<b>\$ 3,008,685</b>	<b>\$ 2,364,201</b>

Riverside Municipal Auditorium	2019	2020	2021	2022	2023
Operating Revenues	\$ 2,569,478	\$ 1,659,945	\$ 138	\$ 2,791,996	\$ 3,499,393
Operating Expenditures	2,592,149	2,167,770	543,800	2,927,825	3,256,904
Management Fee	168,274	91,667	66,667	100,000	100,000
<b>Net Profit/(Loss)</b>	<b>\$ (190,945)</b>	<b>\$ (599,492)</b>	<b>\$ (610,329)</b>	<b>\$ (235,829)</b>	<b>\$ 142,489</b>
<b>General Fund Contribution</b>					
Offsets & Other Expenses	\$ (12,353)	\$ (8,850)	\$ 49,756	\$ 2,847	\$ 15,717
Debt Service	145,879	146,454	146,470	16,866	15,961
<b>Total GF Contribution</b>	<b>\$ 324,471</b>	<b>\$ 737,096</b>	<b>\$ 806,555</b>	<b>\$ 255,542</b>	<b>\$ (110,811)</b>

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## FISCAL – PROPOSED LEASE

Fox Theater & RMA	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Lease Revenue	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Ticket Revenue	206,343	212,533	218,909	225,477	232,241	239,208	246,384	253,776
<b>Total Revenue</b>	<b>\$ 406,343</b>	<b>\$ 412,533</b>	<b>\$ 418,909</b>	<b>\$ 425,477</b>	<b>\$ 457,241</b>	<b>\$ 464,208</b>	<b>\$ 471,384</b>	<b>\$ 478,776</b>

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# FISCAL- COMPARISON

## General Fund Subsidy

Now:

All programming and Operations

All maintenance,

Insurance; and

Debt Service

Proposed:

Limited maintenance

Insurance; and

Maintenance



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# STRATEGIC PLAN ALIGNMENT

## Strategic Priority 1 – Arts, Culture, and Recreation

Goal 1.1

## Strategic Priority 5 – Environmental Stewardship

Goal 5.4

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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## RECOMMENDATIONS

1. Approve a Lease Agreement with Live Nation Worldwide, Inc. for the operation and management of the Fox Performing Arts Center and Riverside Municipal Auditorium for the initial term of eight (8) years through June 30, 2032;
2. Authorize the City Manager, or his designee, to execute renewal term, up to one (1) consecutive term administratively; and
3. Authorize the City Manager, or his designee, to execute any necessary financial, or legal documents, including making minor and non-substantive changes to execute the agreement.

