

#### PERFORMANCE AND FISCAL IMPACT FOR RIVERSIDE CONVENTION CENTER, RIVERSIDE VISITORS BUREAU AND RIVERSIDE SPORTS COMMISSION

#### **General Services Department**

#### **Budget Engagement Commission**

March 14, 2024

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BACKGROUND

The City partners with Raincross Hospitality Management Corporation (RHMC) for management of the Convention Center, Visitors Bureau and Sports Commission.

- Convention Center agreement ends 6/30/2028.
- Visitors Bureau/Sports Commission agreement ends 6/30/2028

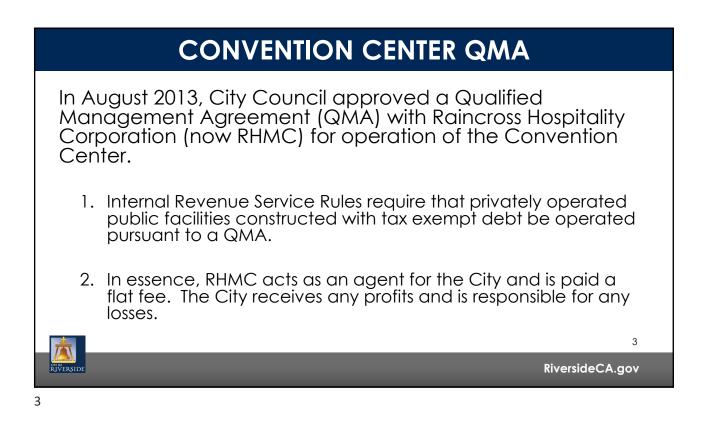
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### **CONVENTION CENTER CONTRACTUAL FEES**

- 1. Annual Base management fee of \$400,000, with annual increases based on the March Consumer Price Index for Riverside-San Bernardino-Ontario, CA.
  - Base increased to \$480,000 in FY 2016, when gross revenues exceeded \$4.5 million.
- 2. Annual Incentive Bonus of up to \$120,000, if RHMC achieves gross revenue greater than \$5 million.
- 3. City maintains an operating fund balance of \$300,000 at all times, disbursing funds as needed.





FY 2024 Management Fees					
FY	Fund	Program	Account Number	Amount	
2023/24	Entertainment Fund	Convention Center	2250000-459971	\$ 794,416	
2023/24	Entertainment Fund	Sports Commission	2250100-459973	\$ 212,590	
2023/24	Entertainment Fund	Visitors Bureau	2250100-459974	<u>\$1,828,938</u>	
			Total:	\$2,835,944	
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## **Convention Center Key Performance Indicators**

Quarter		Revenue	Events	Attendance	Hotel Utilization	Hotel Room Revenue
2023 Q1		\$ 1,015,029	26	9,375	2,223	\$ 318,351
2023 Q2		\$ 2,107,582	60	15,781	2,843	\$ 466,940
2023 Q2		\$ 2,185,813	46	19,783	4,952	\$ 808,178
2023 Q4		<u>\$ 1,226,054</u>	<u>60</u>	55,443	3,927	\$ <u>697,386</u>
Т	OTALS:	\$ 7,424,478	192	100,742	13,945	\$ 2,290,855

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# **Key Performance Indicators**

FY	Performance Metric	Visitors Bureau	Sports Commission
2023	Solicitation Calls	4,817	1,512
2023	Solicitation Emails	3,574	1,953
2023	Hotel Room Nights Booked	27,224	7,329
2023	Convention Center Revenue Contribution	49.6%	-
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#### **ESTIMATED ECONOMIC IMPACT**

RHC develops an annual estimated economic impact analysis based on:

- Convention Center Revenue
- Hotel Room Revenue, including a 1.4 multiplier to account for Transient Occupancy Tax and parking fees
- Estimated \$64 daily spend per visitor (based on State per diem rate) plus 1.1 multiplier to account for transportation, tips and sales tax
  - Estimated FY 22/23: \$16 million



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### **GENERAL FUND CONTRIBUTION**

## Total General Fund Contribution for the Riverside Convention Center, Sports Commission & Visitors Bureau

	2019	2020	2021	2022	2023		
Operator Financial Results:							
Operating Revenues	\$10,102,888	\$6,944,171	\$1,325,914	\$5,612,597	\$9,674,733		
Operating Expenditures	9,202,795	7,136,988	3,011,896	7,021,253	9,888,409		
Net Profit/Loss	\$ <b>900,093</b>	\$( <b>192,817)</b>	\$(1 <b>,685,982)</b>	\$(1,408,655)	\$(213,676)		
General Fund Contribution:							
Management Fee	\$2,301,824	\$2,368,394	\$2,426,022	\$2,396,189	\$2,756,838		
Direct Expenses	195,197	190,506	96,655	147,091	355,031		
Other Revenue Offset	(896)	-	(510,815)	(842)	(1,649)		
Operating P/L Contribution	(900,093)	192,817	1,685,982	1,408,655	213,676		
Operating Contribution	\$1,596,032	\$2,751,717	\$3,697,844	\$3,951,093	\$3,323,896		
Debt Service	3,475,181	3,448,288	3,425,577	3,026,185	3,073,169		
Total GF Contribution	\$5,071,213	\$6,200,004	\$7,123,420	\$6,977,278	\$6,397,064		
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