

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

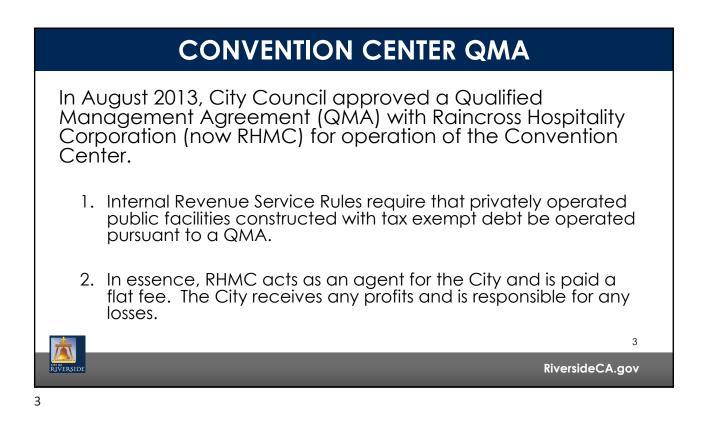
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CONVENTION CENTER CONTRACTUAL FEES

- 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	\$ 900,093	\$(192,817)	\$(1 ,685,982)	\$(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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