

Agenda

Board of Directors

Remote Virtual Meeting

Friday, April 2, 2021

Following CAA Operations Committee Meeting

- | | | |
|----|--|---------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of February 5, 2021 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending February 28, 2021 | Action |
| | ii. February 28, 2021 Financial Statements – DeVos Place® and Van Andel Arena® - SMG, a Division of ASM Global | Information |
| 4. | Preliminary FY 2022 Budget Plan | Information |
| 5. | Preliminary FY 2022 Capital Plan | Information |
| 6. | Update from SMG, a Division of ASM Global | |
| 7. | Public Comment | |
| 8. | Board Member Comments | |
| 9. | Adjournment | |

Next Meeting Date: Friday, May 7, 2021

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
REMOTE VIRTUAL MEETING
FRIDAY, FEBRUARY 5, 2021**

Attendance

Members Present: Steve Heacock, Chairperson
Rosalynn Bliss
Lew Chamberlin
Birgit Klohs
Charlie Secchia
Floyd Wilson, Jr.

Members Absent: Richard Winn

Staff/Others:	Scott Atchison	Info Center GR
	Kathy Bart	ASM
	Mandy Bolter	Kent County Commission
	Wayman Britt	Kent County
	Kate Carlson	<i>MIBiz</i>
	Hilarie Carpenter	ASM
	Thomas Coomes	CitiGroup
	Eric DeLong	City of Grand Rapids
	Aaron Doty	Grand Rapids Symphony
	Alison Goodyke	ASM
	Scott Gorsline	DP Fox
	Tim Gortsema	Grand Rapids Griffins
	Ben Greene	Kent County Commission
	Jen Henkel	ASM
	Todd Johnson	ASM
	Diane Jones	Kent County Commission
	Jennifer Kasper	Grand Rapids Parking Services
	JJ Loew	Vicinity Energy
	Mike Lozon	Bluewater Technologies
	Chris Machuta	ASM
	Rich MacKeigan	ASM
	Mary Manier	Experience Grand Rapids
	Charles Melcher	Vicinity Energy
	Jackie Morse	ASM
	Josh Naramore	Grand Rapids Parking Services
	Torrance Richardson	Gerald R. Ford International Airport
	Doug Small	Experience Grand Rapids
	Stan Stek	Kent County Commission
	Emilee Syrewicze	Opera Grand Rapids
	Eddie Tadlock	ASM
	Aaron Terpstra	City of Grand Rapids
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	Mark Washington	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	CAA
	Rose White	<i>MLive/Grand Rapids Press</i>

Robert Wilberding
Stephen Wooden
Paul Ymker

Bluewater Technologies
Kent County Commission
Bluewater Technologies

1. Call to Order

Steve Heacock, chairperson, called the remote virtual meeting to order at 9:02 a.m. CAA staff recorded the meeting minutes, in the absence of Secretary/Treasurer Richard Winn. Chair Heacock stated that John Varineau will be long remembered in the community as an amazing talent. Chair Heacock extended his gratitude to Mayor Bliss, Mark Washington, and Eric DeLong, as well as Rich MacKeigan, Attorney Wendt, and Brad Thomas for their work on the 201 Market Street option. Chair Heacock toured the vaccination center and praised the operation of the center. The County and health care providers were very welcoming and friendly.

2. Minutes of Prior Meeting

Motion by Ms. Klohs, support by Ms. Bliss, to approve the January 8, 2021, meeting Minutes. Motion carried.

3. Committee Reports

A. Operations Committee

Chair Lew Chamberlin stated that he had no updates to report.

i. Experience Grand Rapids Report

Ms. Mary Manier provided an overview of the CVB's sales activities and marketing efforts. The sales team continues to focus on meeting virtually and staying in front of meeting planner clients and, although in-person meetings cannot be held, staff is getting ready for future bookings. In January, the team attended the virtual Professional Convention Management Association's convening leaders. Leslie Hastings, based in Washington, D.C., hosted a national meeting planner Zoom event and 29 meeting planners attended. Kathy Bart of ASM is co-hosting virtual FAMs and 60 planners participated in the January event. To date, over 160 meeting planners have attended virtual presentations. An in-person site visit, with the National Guard of Michigan, took place in January.

B. Finance Committee

i. Acceptance of December 2020 Consolidated Financial Statements

Motion by Ms. Klohs, support by Ms. Bliss, to accept the December 2020 Consolidated Financial Statements. Motion carried.

ii. SMG, a Division of ASM Global, November 2020 DeVos Place® and Van Andel Arena® Financial Statements

The SMG, a division of ASM Global, December 2020 Financial Statements were included as information items.

iii. Auto Parking System Periodic Reporting

Mr. White presented a quarterly report regarding the City/County utilization of discounted DeVos Place® monthly parking passes.

4. Resolution Approving and Authorizing the Execution of an Option Agreement To Purchase Real Estate with the City of Grand Rapids Related to the Potential Location of an Amphitheater at City-Owned Property at 201 Market Avenue, S.W.

Boardmember Ms. Bliss, supported by Boardmember Mr. Wilson, moved the adoption of the following resolution:

WHEREAS, the Board of Directors (the “Board”) of the Grand Rapids – Kent County Convention/Arena Authority (the “CAA”) on December 4, 2020, approved a Memorandum of Understanding (the “MOU”) between the CAA, the City of Grand Rapids (the “City”) and two private entities related to the decommission and relocation of a large sanitary trunk sewer located, in part, on City-owned property at 201 Market Avenue, S.W. (the “201 Market Site”) and the potential location of an amphitheater on a portion of the 201 Market Site; and

WHEREAS, the MOU provides that the CAA and the City shall enter into a written option agreement no later than February 26, 2021, for the sale by the City and the purchase by the CAA of a portion of the 201 Market Site for the potential location of an amphitheater.

RESOLVED:

1. That the Option Agreement to Purchase Real Estate (the “Option Agreement”) between the CAA and the City in the form presented at this meeting is approved with such modifications not materially adverse to the CAA approved as to content by the Executive Director of the CAA and as to form by CAA legal counsel and the Chairperson of the Board is authorized and directed to execute the approved Option Agreement for and on behalf of the CAA.

2. That the Executive Director of the CAA is authorized to execute an acknowledgement and consent approved as to form by CAA legal counsel approving the execution of the Option Agreement.

3. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded.

RESOLUTION DECLARED ADOPTED.

Mayor Bliss extended appreciation to the parties for their work on moving the amphitheater project forward. Chair Heacock added that the process to get the project to fruition was very creative.

5. Update from SMG, a Division of ASM Global

Mr. MacKeigan stated that the DeVos Place® sales team are hosting a virtual murder mystery event for clients. Our team will be well positioned to welcome events back into the building as soon as possible. Staff will send out a link for AHL TV to watch the Griffins hockey games, and the Griffins have been very proactive in getting the word out to season ticket holders, stakeholders, media, and the general public.

6. Public Comment

Diane Jones, Kent County Commissioner, asked for a summary on reductions to adjust for COVID. Mr. MacKeigan responded that there has been a significant reduction in staff with the remaining staff taking on additional duties and taking pay reductions, as well as expense mitigation regarding utilities and maintenance contracts. Chair Heacock added that the CAA expended additional funds for capital projects to take advantage of the empty buildings.

7. Board Member Comments

None.

8. Adjournment

The meeting adjourned at 9:18 a.m.

Susan M. Waddell, Recording Secretary



Consolidated Financial Report
28-Feb-21

	Page
Dashboard	1
Summary by Facility	
Rolling Forecast	2
Monthly Comparable	3
Monthly Capital Status	4
Year-to-Date Comparable	5
Trend Analysis	
Monthly Net Operating Proceeds - FY20 & FY21	6
Lagging 12 Months Net Operating Proceeds	7
Significant Notes	8
Administrative Accounts	
Year-to-Date Comparable	9
Special Accounts	
Amphitheater Project	10
Federal CARES Allotment (County)	11



Financial Dashboard
Year-To-Date (8 Months)
28-Feb-21

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	57	-	9	24	-	-
Attendance	430,682	-	186	202,529	-	-
Event Income	\$ 2,980,041	\$ -	\$ 85,034	\$ 2,193,720	\$ -	\$ 729
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	353	-	17	77	-	-
Attendance	435,194	-	585	80,300	-	-
Event Income	\$ 4,552,212	\$ -	\$ 22,598	\$ 1,247,567	\$ -	\$ (14,513)
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 1,800,006	\$ (4,046,892)	\$ (3,468,672)
Capital/Repair/Replacement				(2,349,740)	(2,248,802)	(2,145,652)
Net - To/(From) on Fund Balance				\$ (549,734)	\$ (6,295,694)	\$ (5,614,324) ⁽¹⁾

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2020

\$21.6M

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2021

	FY 2021				FY 2022
	7/1 - 02/28				
	Year-to-Date	Roll	Estimate^{(1) (3)}	Budget	Forecast⁽⁴⁾
Van Andel Arena					
Operating - Revenues	\$ 555,131	\$ 29,355	\$ 584,486	\$ 855,248	\$ 4,523,904
- Expenses - Facilities	(1,423,214)	(986,221)	(2,409,435)	(3,161,016)	(4,174,394)
- Base Management Fees	(120,226)	(60,112)	(180,338)	(182,848)	(186,504)
- Incentive Fee	-	-	-	-	-
Net Operating Income (Loss)	(988,309)	(1,016,978)	(2,005,287)	(2,488,616)	163,006
Parking	117,926	73,292	191,218	234,000	309,000
Pedestrian Safety	-	-	-	(13,700)	(65,000)
Net Proceeds (Cost) of VAA	(870,383)	(943,686)	(1,814,069)	(2,268,316)	407,006
DeVos Place Convention Center					
Operating - Revenues	77,794	31,825	109,619	975,759	5,015,000
- Expenses - Facilities	(2,521,267)	(1,531,780)	(4,053,047)	(4,606,032)	(5,980,774)
- Base Management Fees	(120,226)	(60,112)	(180,338)	(182,848)	(186,504)
- Incentive Fee	-	-	-	-	-
Net Operating Income (Loss)	(2,563,699)	(1,560,067)	(4,123,766)	(3,813,121)	(1,152,278)
Parking	309,294	(93,000)	216,294	395,000	1,050,000
Pedestrian Safety	-	-	-	(8,300)	(45,000)
Net Proceeds (Cost) of DVP	(2,254,405)	(1,653,067)	(3,907,472)	(3,426,421)	(147,278)
Other					
Revenues	141,072	85,375	226,447	198,022	290,069
Expenses	(484,956)	(517,497)	(1,002,453)	(1,044,963)	(748,265)
Net Other	(343,884)	(432,122)	(776,006)	(846,941)	(458,196)
Total Net Proceeds/Operating	(3,468,672)	(3,028,875)	(6,497,547)	(6,541,678)	(198,468)
Capital/Repair Expenditures	(2,145,652)	(2,171,625)	(4,317,277)	(4,420,427) ⁽²⁾	(2,000,000)
Results Net of Capital/Repair Expenditures	\$ (5,614,324)	\$ (5,200,500)	\$ (10,814,824)	\$ (10,962,105)	\$ (2,198,468)

Notes:

- (1) Roll and year-end estimate will be next updated, on a quarterly basis, at the Board meeting of May 7th.
(2) Includes budget amendment to provide for several capital project balances carried over from FY20. See June 2020 consolidated financial report for details.
(3) Based on no significant activity through June 30, 2021.
(4) Assume some revenue - 25% of the norm - beginning July 1, 2021.
Assume more revenue - 75% of the norm - beginning September 1, 2021.
Assume full revenue as of January 1, 2022.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for the Month of February 2021

	February Monthly		
	FY 2020	FY 2021	Change Positive (Negative)
Van Andel Arena			
Operating - Revenues	\$ 890,808	\$ 17,427	(98.0)
- Expenses - Facilities ⁽¹⁾	(326,612)	(214,294)	34.4
- Base Management Fees	(14,939)	(15,028)	(0.6)
- Incentive Fee	-	-	-
Net Operating Income (Loss)	549,257	(211,895)	(138.6)
Parking	34,932	14,658	(58.0)
Pedestrian Safety	(12,998)	-	100.0
Net Proceeds (Cost) of VAA	571,191	(197,237)	(134.5)
DeVos Place Convention Center			
Operating - Revenues	1,015,051	24,588	(97.6)
- Expenses - Facilities ⁽¹⁾	(581,755)	(352,624)	39.4
- Base Management Fees	(14,939)	(15,028)	(0.6)
- Incentive Fee	-	-	-
Net Operating Income (Loss)	418,357	(343,064)	(182.0)
Parking	106,344	79,667	(25.1)
Pedestrian Safety	(9,174)	-	100.0
Net Proceeds (Cost) of DVP	515,527	(263,397)	(151.1)
Other			
Revenues	67,939	7,960	(88.3)
Expenses	(149,271)	(19,480)	86.9
Net Other	(81,332)	(11,520)	85.8
Total Net Proceeds/Operating	1,005,386	(472,154)	(147.0)
Capital/Repair Expenditures	(50,540)	(265,679)	(425.7)
Results Net of Capital Expenditures	\$ 954,846	\$ (737,833)	(177.3)

Notes:

(1) Includes ASM line item - "Net Salaries and Benefits": Feb.. 2020 (Actual) \$326K, Feb. 2021 (Budget) \$267K, and Feb. 2021 (Actual) \$215K, [a 34.1% reduction from Feb. 2020 (Actual)].

Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2021 Budget

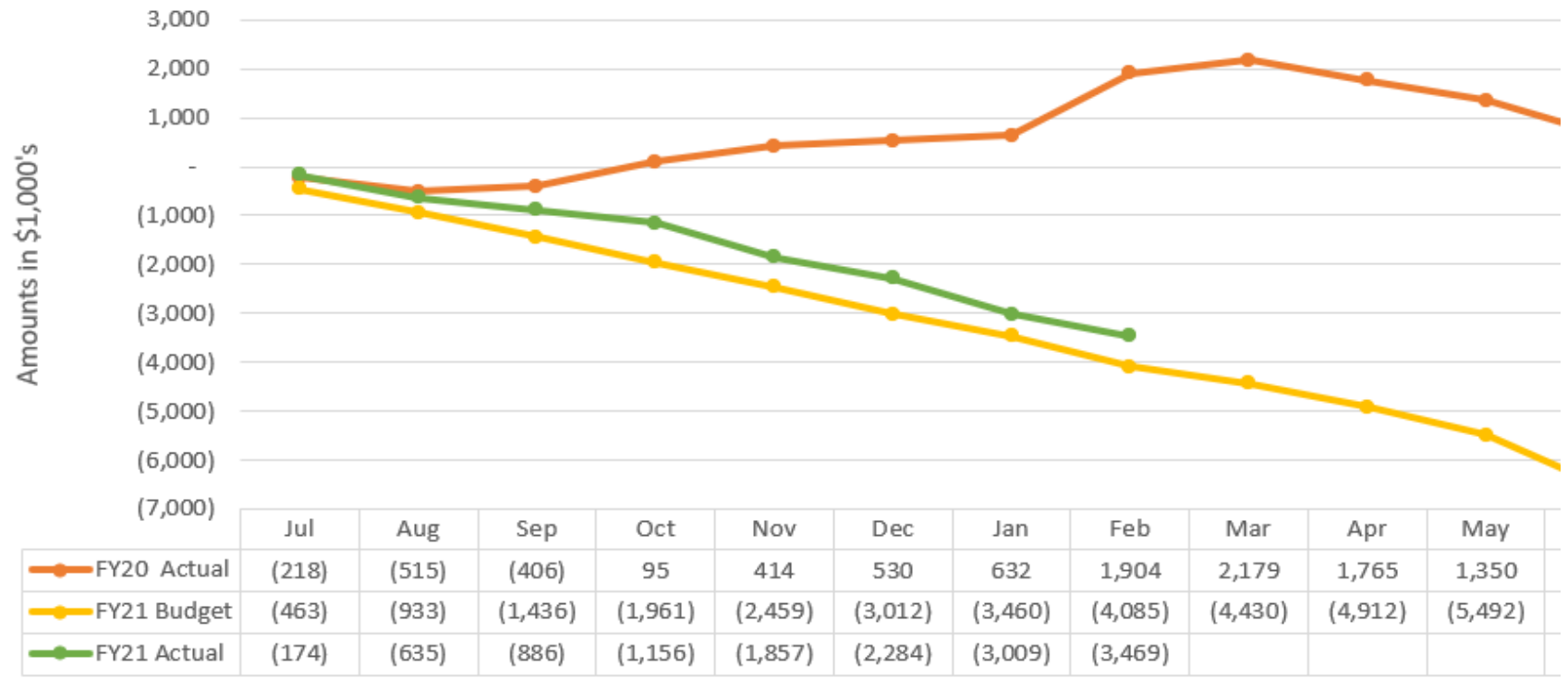
FY 2021 Eligible Projects:	Budget	Actual 7/1-02/28	Roll	Full-Year Estimate
Van Andel Arena®				
Upper Bowl Seating	\$ 750,000	-	\$ 745,897	\$ 745,897
Total VAA	750,000	-	745,897	745,897
DeVos Place®				
Building Management Software-HVAC	150,000	-	150,000	150,000
Exterior Welsh Granite & Steps	300,000	255,251	-	255,521
Fly Rail System	1,450,000	1,407,588	42,412	1,450,000
Total DVP	1,900,000	1,662,839	192,412	1,855,521
Both Venues				
Box Office Speakers	60,000	11,575	34,725	46,300
Carryover (FY20) Projects				
DVP Projection Theater Updates	200,000	-	200,000	200,000
DVP Fly Rail System	114,604	114,604	-	114,604
DVP Additional Furniture	33,000	-	33,000	33,000
DVP Carpet: Keeler Lobby/Performance Hall	323,619	299,462		299,463
DVP Airwall Fabric Replacement	42,015	42,015	-	42,015
DVP OSHA Safety Changes	7,381	-	7,381	7,381
DVP Lyon Street Landscaping	400,000	-	400,000	400,000
DVP New Soft Start for Chiller	39,885	-	-	-
VAA Suite Refresher	372,803	2,157	370,646	372,803
VAA Security Upgrades	25,135	13,000	12,135	25,135
BOTH Elevator Modernization	10,985	-	34,158	34,158
BOTH New Computers	4,000	-	4,000	4,000
BOTH New Phone System	137,000	-	137,000	137,000
Total Carryover	1,710,427	471,238	1,198,320	1,669,559
Total Unrestricted Accounts	4,420,427	2,145,652	2,171,354	4,317,277
Amphitheater - State Grant (Restricted Account)	4,969,411	4,764,936	-	4,764,936
COVID-19 County Grant (Restricted Account)	1,985,817	1,885,035	70,610	1,955,645
Total FY 2021 Capital Budget	\$ 11,375,655	\$ 8,795,623	\$ 2,241,964	\$ 11,037,858

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2021

	Annual			Year-To-Date		
	FY 2020	FY 2021	Change	FY 2020	FY 2021	Change
	Final	Budget	Positive	7/1-02/28	7/1 - 02/28	Positive
			(Negative)			(Negative)
Van Andel Arena						
Operating - Revenues	\$ 5,832,637	\$ 855,248	(85.3)	\$ 4,635,250	\$ 555,131	(88.0)
- Expenses - Facilities	(3,947,676)	(3,161,016)	19.9	(2,794,738)	(1,423,214)	49.1
- Base Management Fees	(179,263)	(182,848)	(2.0)	(119,509)	(120,226)	(0.6)
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	1,705,698	(2,488,616)	(245.9)	1,721,003	(988,309)	(157.4)
Parking	314,418	234,000	(25.6)	286,205	117,926	(58.8)
Pedestrian Safety	(82,159)	(13,700)	83.3	(61,097)	-	100.0
Net Proceeds (Cost) of VAA	1,937,957	(2,268,316)	(216.5)	1,946,111	(870,383)	(144.7)
DeVos Place Convention Center						
Operating - Revenues	4,966,722	975,759	(80.4)	4,603,137	77,794	(98.5)
- Expenses - Facilities	(6,340,580)	(4,606,032)	27.4	(4,665,578)	(2,521,267)	(46.0)
- Base Management Fees	(179,263)	(182,848)	2.0	(119,509)	(120,226)	(0.6)
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	(1,553,121)	(3,813,121)	(145.5)	(181,950)	(2,563,699)	(1,509.0)
Parking	907,156	395,000	(56.5)	834,131	309,294	(62.9)
Pedestrian Safety	(42,382)	(8,300)	80.4	(29,916)	-	100.0
Net Proceeds (Cost) of DVP	(688,347)	(3,426,421)	(497.8)	622,265	(2,254,405)	(462.3)
Other						
Revenues	1,015,744	198,022	(80.5)	437,877	141,072	(67.8)
Expenses	(1,606,877)	(1,044,963)	35.0	(1,206,247)	(484,956)	59.8
Net Other	(591,133)	(846,941)	(43.3)	(768,370)	(343,884)	55.3
Total Net Proceeds/Operating	658,477	(6,541,678)	(1,093.5)	1,800,006	(3,468,672)	(292.7)
Capital/Repair Expenditures	(3,298,781)	(4,420,427)	(34.0)	(2,349,740)	(2,145,652)	8.7
Results Net of Capital Expenditures	\$ (2,640,304)	\$ (10,962,105)	(315.2)	\$ (549,734)	\$ (5,614,324)	(1,021.3)

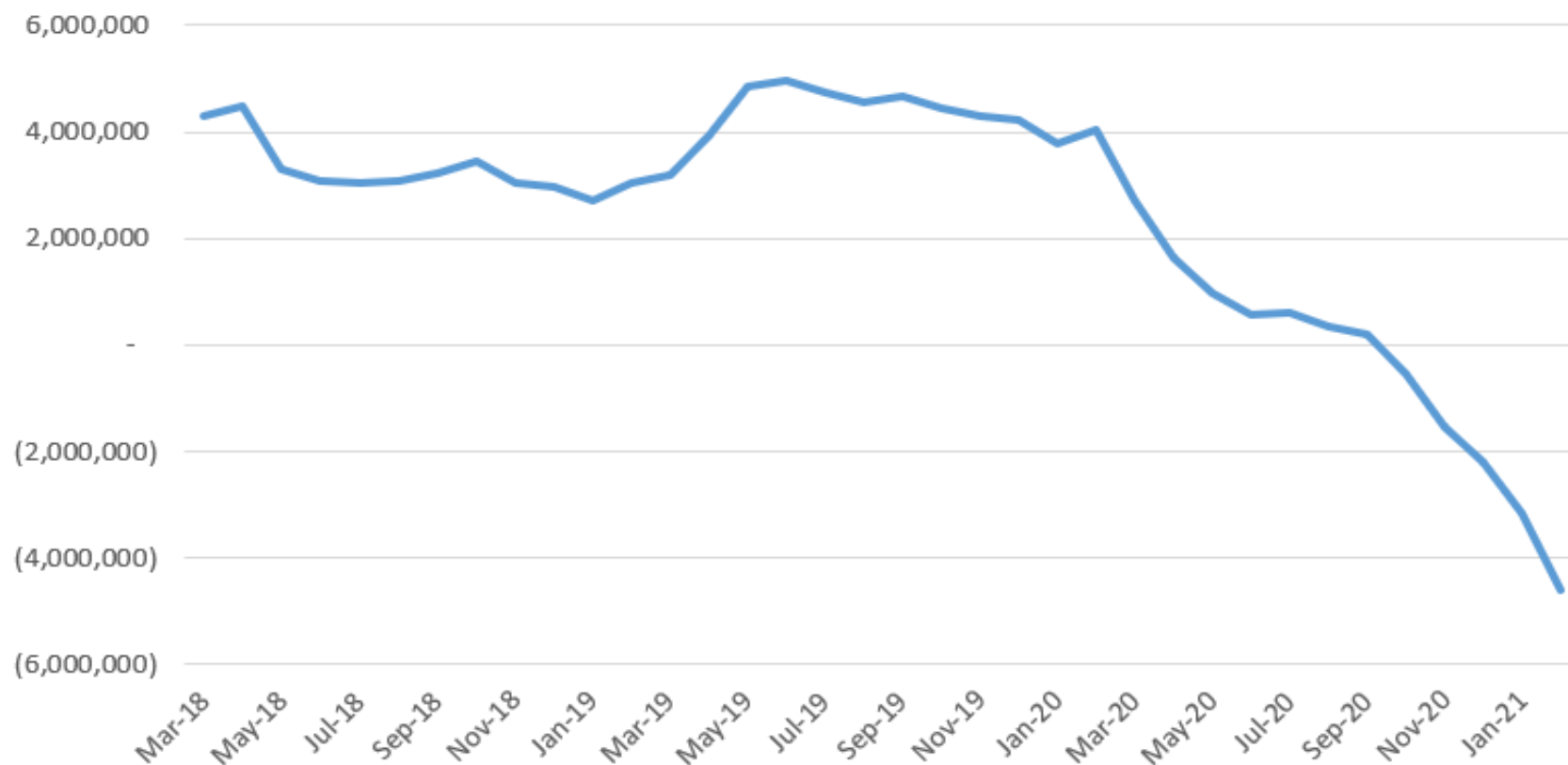
CAA Trends

Monthly Net Operating Proceeds through February 28, 2021



Accumulative Net Proceeds by Month

Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Zero concerts generated \$0.00 in event revenue, a decrease of (100.0%) from prior year (24 concerts) of \$2,193,720.
- Page 5 - Net proceeds of (\$870,383) decreased by (144.7%) from prior year of \$1,946,111.

DeVos Place®

- Page 1 - Convention/trade show business generated \$0.00 in event revenue, a decrease of (100.0%) from prior year (attendance decreased from 80,300 to zero) of \$1,247,567.
- Page 5 - Net "proceeds" of (\$2,254,405) decreased by (462.3%) from prior year Net Proceeds of +\$622,265.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
28-Feb-21

	Annual			Actual		
	FY 2020 Final	FY 2021 Budget	Change Positive (Negative)	FY 2020 7/1-02/28	FY 2021 7/1/-02/28	Change Positive (Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 597,468	\$ 190,000	(68.2)	\$ 369,808	\$ 124,418	(66.4)
Miscellaneous	68,069	8,022	(88.2)	68,069	16,654	(75.5)
	665,537	198,022	(70.2)	437,877	141,072	(67.8)
Expenses						
COVID-19 Preparedness Plan	-	300,000	(100.0)	-	-	-
Marketing (CVB/Sports)	200,000	200,000	-	200,000	200,000	
Diversity Initiative	140,468	100,000	28.8	137,436	-	100.0
Wages/Benefits	150,493	141,106	6.2	86,419	89,748	(3.9)
Professional Services	73,246	85,000	(16.0)	59,917	66,964	(11.8)
DID Assessment	65,284	33,000	49.5	65,284	32,110	50.8
Food & Beverage Repairs	-	40,000	(100.0)	-	-	-
Consulting Services	547,584	84,857 ⁽¹⁾	84.5	590,504	42,200	92.9
Landscaping	27,827	25,000	10.2	21,844	21,043	3.7
Procurement of Art	2,105	-	100.0	2,105	-	100.0
Insurance	17,429	26,000	(49.2)	23,676	24,836	(4.9)
Supplies/Other	25,791	10,000	61.2	19,062	8,055	57.7
	1,250,227	1,044,963	16.4	1,206,247	484,956	59.8
Net Proceeds - Operating	<u>\$ (584,690)</u>	<u>\$ (846,941)</u>	<u>(44.9)</u>	<u>\$ (768,370)</u>	<u>\$ (343,884)</u>	<u>55.3</u>

Notes:

⁽¹⁾ SMG-\$55,159 and \$144,841 proof of concept and general engineering, less \$115,143 transferred to amphitheater project on 12/4.

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Amphitheater Project
Revenues/Expenses
4/4/19 to 02/28/2021

	FY 2020	FY 2021	
	<u>Actual</u>	<u>7/1-12/31 Actual</u>	<u>01/1-02/28</u>
Revenues:			
State of Michigan Grant	\$ 350,207	\$ 264,825	\$ 4,384,968
Transfer from Operating Account-Consulting Services			115,143
Expenses:			
Progressive AE - Amphitheater Utility Project	(235,064)	(264,825)	(218,718)
- Feasibility Project	(73,126)	-	-
Other Grant Eligible Services	(42,017)	-	-
Contribution to City - Sewer Relocation	-	-	(4,281,393)
Net Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

NOTES:

- MEDC Grant - West Michigan Amphitheater - \$5M
- Grant Period: 1/1/19- 1/31/21 (Extended to 1/31/2023)
- Grant Activities: "Park/Playground Improvements"
- Interest credited to the operating account
- The unexpended balance of \$4,281,393 will be paid to the City of Grand Rapids, on or before 1/31/2021, based on an MOU approved at the CAA Board meeting held 12/4/2020.
- Transfer from Operating Account-Consulting Services - prior to entering into MOU, \$115,143 of eligible administrative costs had been expensed to the grant account. The MOU only references payments made to Progressive AE with the remainder of the \$5,000,000 paid over to the City.

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Federal CARES Allotment (County)
Grant Period: 10/8/20 to 12/30/20
Revenues/Expenses
28-Feb-21

	<u>Budget</u>	<u>Actual</u>
Revenues:		
County Grant	\$ 1,985,817	\$ 1,885,035
Expenses:		
	<u>(1,985,817)</u>	<u>(1,885,035)</u>
Net Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

NOTES:

- County Board Approval - 10/8/2020
- CAA - Funds Received - 10/27/2020
- ASM - Purchase Orders Issued - 10/28/2020
- CAA Board - Grant Agreement Approved - 11/13/2020
- Timing Limitation - All Grant Funds Must Be Spent on or Before 12/30/2020.

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT FOR THE MONTH ENDED FEBRUARY 28, 2021

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Robert White
Harry Cann
Hope Parkin
Howard Feldman
Richard MacKeigan
Chris Machuta



DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2021

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	17	4	21	0	21
ATTENDANCE	585	-	585	0	585
DIRECT EVENT INCOME	30,129	33,437	63,566	520,660	(457,094)
ANCILLARY INCOME	(7,531)	(8,400)	(15,931)	369,479	(385,410)
OTHER EVENT INCOME	0		0	37,620	(37,620)
TOTAL EVENT REVENUE	22,598	25,037	47,635	927,759	(880,124)
TOTAL OTHER REVENUE	55,196	35,500	90,696	48,000	42,696
TOTAL OPERATING REVENUE	77,794	60,537	138,331	975,759	(837,428)
INDIRECT EXPENSES					
EXECUTIVE	71,099	58,201	129,300	171,288	41,988
FINANCE	146,414	66,980	213,394	202,475	(10,919)
MARKETING	57,189	66,853	124,042	125,940	1,898
OPERATIONS	525,946	374,813	900,759	659,101	(241,658)
EVENT SERVICES	502,976	328,955	831,931	1,378,098	546,167
BOX OFFICE	90,040	56,189	146,229	90,288	(55,941)
SALES	202,798	125,606	328,404	405,660	77,256
OVERHEAD	1,045,028	514,298	1,559,326	1,756,030	196,704
TOTAL OPERATING EXP.	2,641,489	1,591,895	4,233,385	4,788,880	555,495
NET REVENUE ABOVE EXPENSES	(2,563,695)	(1,531,358)	(4,095,054)	(3,813,121)	(281,933)
INCENTIVE FEE		-	0	0	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(2,563,695)	(1,531,358)	(4,095,054)	(3,813,121)	(281,933)

Comments:

Grand Rapids Symphony has begun streaming events from DeVos Performance Hall and the vaccination center continues to be hosted in the rest of the facility.

DocuSigned by:



7ECDB40AF00F405...
General Manager

DocuSigned by:



106E55D632E243A...
Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2021

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	February Actual	February Budget	February FY 2020
Number of Events	4	0	55
Attendance	121	0	123,434
Direct Event Income	\$18,206	\$105,000	\$597,250
Ancillary Income	853	60,276	308,800
Other Event Income	0	4,595	104,211
Other Operating Income	5,529	4,000	4,790
Indirect Expenses	(367,652)	(447,964)	(596,694)
Net Income	(\$343,065)	(\$274,093)	\$418,357

YTD	YTD 2021 Actual	YTD 2021 Budget	YTD 2020 Prior Year
Number of Events	17	0	353
Attendance	585	0	435,194
Direct Event Income	\$30,129	\$210,000	\$2,302,070
Ancillary Income	(7,531)	120,552	1,726,160
Other Event Income	0	9,190	523,982
Other Operating Income	55,196	32,000	50,924
Indirect Expenses	(2,641,493)	(2,971,040)	(4,785,087)
Net Income	(\$2,563,699)	(\$2,599,298)	(\$181,950)

EVENT INCOME

Venue hosted GRS Pathways Streaming events.

ANCILLARY INCOME

No events were hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in consistent with budgeted levels.

DeVos Place
Income Statement
For the Seven Months Ended February 28, 2021

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$11,450	\$120,000	\$ (108,550)	\$559,052	\$24,750	\$240,000	\$ (215,250)	\$2,549,807
Service Revenue	51,299	(15,000)	66,299	471,642	74,069	(30,000)	104,069	2,682,212
Service Expenses	(44,543)	-	(44,543)	(433,444)	(68,690)	-	(68,690)	(2,929,949)
Total Direct Event Income	18,206	105,000	(86,794)	597,250	30,129	210,000	(179,871)	2,302,070
Ancillary Income								
F&B Concession	0	9,767	(9,767)	60,157	18	19,534	(19,516)	198,169
F&B Catering	0	12,479	(12,479)	57,345	1,595	24,958	(23,363)	518,010
Novelty Sales	0	70	(70)	15,046	0	140	(140)	43,397
Booth Cleaning	0	12,489	(12,489)	85,347	0	24,978	(24,978)	233,015
Telephone/Long Distance	0	-	-	113	0	-	-	113
Electrical Services	0	10,739	(10,739)	42,836	1,360	21,478	(20,118)	282,700
Audio Visual	0	6,457	(6,457)	11,812	0	12,914	(12,914)	204,679
Internet Services	(1,817)	3,511	4,764	13,515	(13,838)	7,022	(20,860)	90,395
Equipment Rental	2,670	4,764	(2,094)	22,629	3,334	9,528	(6,194)	155,682
Total Ancillary Income	853	60,276	(59,423)	308,800	(7,531)	120,552	(128,083)	1,726,160
Other Event Income								
Ticket Rebates(Per Event)	-	4,595	(4,595)	104,211	-	9,190	(9,190)	523,982
Total Other Event Income	0	4,595	(4,595)	104,211	0	9,190	(9,190)	523,982
Total Event Income	19,059	169,871	(150,812)	1,010,261	22,598	339,742	(317,144)	4,552,212
Other Operating Income								
Luxury Box Agreements	0	0	-	775	4,650	0	4,650	7,200
Advertising	0	0	-	1,333	0	0	-	6,667
Other Income	5,529	4,000	1,529	2,682	50,546	32,000	18,546	37,057
Total Other Operating Income	5,529	4,000	1,529	4,790	55,196	32,000	23,196	50,924
Adjusted Gross Income	24,588	173,871	(149,283)	1,015,051	77,794	371,742	(293,948)	4,603,137
Operating Expenses								
Salaries and Wages	154,487	163,057	(8,570)	422,648	1,354,301	1,121,296	233,005	3,527,751
Payroll Taxes and Benefits	73,265	42,233	31,032	76,519	564,050	287,182	276,868	710,581
Labor Allocations to Events	(91,742)	(48,245)	(43,497)	(287,349)	(733,417)	(328,066)	(405,351)	(2,294,873)
Net Salaries and Benefits	136,010	157,045	(21,035)	211,818	1,184,934	1,080,412	104,522	1,943,460
Contracted Services	1,749	24,150	(22,401)	37,124	22,423	48,300	(25,877)	328,215
General and Administrative	25,198	26,719	(1,521)	33,612	157,924	181,688	(23,764)	401,441
Operations	3,077	13,141	(10,064)	1,456	26,516	97,958	(71,442)	130,983
Repair and Maintenance	30,319	58,875	(28,556)	100,397	285,443	400,350	(114,907)	498,804
Operational Supplies	9,310	21,555	(12,245)	14,010	40,956	141,868	(100,912)	193,108
Insurance	32,481	21,814	10,667	43,304	149,452	157,442	(7,990)	203,430
Utilities	114,480	109,428	5,052	140,035	653,616	741,126	(87,510)	966,138
SMG Management Fees	15,028	15,237	(209)	14,939	120,226	121,896	(1,670)	119,509
Total Operating Expenses	367,652	447,964	(80,312)	596,694	2,641,493	2,971,040	(329,547)	4,785,087
Net Income(Loss) From Operatic	(343,065)	(274,093)	(68,972)	418,357	(2,563,699)	(2,599,298)	35,599	(181,950)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(343,065)	(274,093)	(68,972)	418,357	(2,563,699)	(2,599,298)	35,599	(181,950)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Eight Months Ended February 28, 2020

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	-	-	-	-	(14,513)	-
Consumer/Gated Shows	-	-	-	-	-	-
DeVos Performance Hall	3	-	85	-	13,744	-
Banquets	-	-	-	-	-	-
Meetings	3	-	75	-	5,533	-
Other	10	-	389	-	17,834	-
GRAND TOTALS	16	-	549	-	22,598	-

As Percentage of Overall

Convention/Trade Shows	0.00% #DIV/0!	0.00% #DIV/0!	-64.22% #DIV/0!
Consumer/Gated Shows	0.00% #DIV/0!	0.00% #DIV/0!	0.00% #DIV/0!
Devos Performance Hall	18.75% #DIV/0!	15.48% #DIV/0!	60.82% #DIV/0!
Ballroom Exclusive	0.00% #DIV/0!	0.00% #DIV/0!	0.00% #DIV/0!
Meetings	18.75% #DIV/0!	13.66% #DIV/0!	24.48% #DIV/0!
Other	62.50% #DIV/0!	70.86% #DIV/0!	78.92% #DIV/0!

DeVos Place
Balance Sheet
As of February 28, 2021

ASSETS

Current Assets

Cash	768,732
Account Receivable	362,147
Prepaid Expenses	309,902

Total Current Assets		\$1,440,781
-----------------------------	--	--------------------

Total Assets		\$1,440,781
---------------------	--	--------------------

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	219,565
Accrued Expenses	97,806
Deferred Income	79,214
Advanced Ticket Sales & Deposits	1,356,895

Total Current Liabilities		\$1,753,481
---------------------------	--	-------------

Other Liabilities

Equity

Funds Remitted to CAA	-
Funds Received by CAA	1,483,165
Expenses Paid Direct by CAA	613,430
Beginning Balance Equity	154,402
Current Year Equity	(2,563,697)

Total Equity		(\$312,699)
--------------	--	-------------

Total Liabilities and Equity		\$1,440,781
-------------------------------------	--	--------------------

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of February 28, 2021

Current - Under 30 Days	
Food & Beverage	1,944
Ticketing	900
Merchandise	-
Decorating	5,323
Audio/Visual	-
Van Andel Arena	145,572
Operating	151,924
 Over 30 Days	 -
 Over 60 Days	 56,484
 Over 90 Days	
Total Accounts Receivable	362,147

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2021**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2020 Audited
Net Revenue above Expenses	(2,005,287)	(4,123,766)	(6,129,053)	152,577
Benchmark++			1,050,000	1,050,000
Excess	(2,005,287)	(4,123,766)	(7,179,053)	(897,423)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	180,338	180,338	360,676	358,526
Incentive Fee				
Revenue	584,486	109,619	694,105	10,799,359
Benchmark Revenue	5,263,794	4,650,537	9,914,331	9,855,200
Revenue Excess	(4,679,308)	(4,540,918)	(9,220,226)	990,033
Incentive Fee **	-	-	-	-
Total SMG Management Fee	180,338	180,338	360,676	358,526

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE MONTH YEAR ENDED FEBRUARY 28, 2021

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – TWO TIME CALDER CUPS CHAMPIONS



Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Harry Cann
Hope Parkin
Howard Feldman
Richard MacKeigan
Chris Machuta



**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2021**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	-	15	15	0	15
ATTENDANCE	-	-	0	0	-
DIRECT EVENT INCOME	66,185	22,500	88,685	166,258	(77,573)
ANCILLARY INCOME	18,120	-	18,120	228,632	(210,512)
OTHER EVENT INCOME	729	-	729	112,125	(111,396)
TOTAL EVENT INCOME	85,034	22,500	107,534	507,015	(399,481)
TOTAL OTHER INCOME	470,096	24,264	494,360	348,233	146,127
TOTAL INCOME	555,130	46,764	601,894	855,248	(253,354)
INDIRECT EXPENSES					
EXECUTIVE	112,613	68,791	181,404	199,008	17,604
FINANCE	114,807	53,535	168,342	177,924	9,582
MARKETING	70,956	66,850	137,806	169,640	31,834
OPERATIONS	483,255	410,046	893,301	1,441,751	548,450
BOX OFFICE	76,975	48,179	125,154	165,862	40,708
LUXURY SEATING	-	-	-	-	-
SKYWALK ADMIN	19,214	21,924	41,138	54,096	12,958
OVERHEAD	665,620	377,008	1,042,628	1,135,583	92,955
TOTAL INDIRECT EXP.	1,543,439	1,046,333	2,589,773	3,343,864	754,091
NET REVENUE ABOVE EXPENSES	(988,309)	(999,569)	(1,987,879)	(2,488,616)	500,737
LESS INCENTIVE FEE			-	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	(988,309)	(999,569)	(1,987,879)	(2,488,616)	500,737

Comments:

The Arena hosted its first Griffins games of the season in February with limited fans.

DocuSigned by:



7ECB840AF99F405...
General Manager

DocuSigned by:



40DEBDD662E245A...
Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2021**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	February Actual	February Budget	February FY 2020
Number of Events	2	-	9
Attendance	186	-	77,706
Direct Event Income	\$11,458	(\$11,861)	\$170,438
Ancillary Income	6,300	47,193	299,369
Other Event Income	0	16,500	171,570
Other Operating Income	(332)	12,825	249,431
Indirect Expenses	(229,322)	(315,581)	(341,551)
Net Income	(\$211,894)	(\$250,924)	\$549,257

YTD	YTD 2021 Actual	YTD 2021 Budget	YTD 2020 Prior Year
Number of Events	9	-	66
Attendance	186	-	430,682
Direct Event Income	\$66,185	(\$23,722)	\$716,525
Ancillary Income	18,120	94,386	1,455,324
Other Event Income	729	33,000	808,192
Other Operating Income	470,097	61,650	1,655,210
Indirect Expenses	(1,543,440)	(631,162)	(2,914,247)
Net Income	(\$988,309)	(\$465,848)	\$1,721,004

EVENT INCOME

The Griffins season began with limited patrons in the house.

ANCILLARY INCOME

No Ancillary income due to no public in the facility.

INDIRECT EXPENSES

Indirect expenses came in ahead of budget overall.

Van Andel Arena
Income Statement
For the Eight Months Ended February 28, 2021

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$ 21,662	\$ 51,139	\$ (29,477)	\$ 288,508	\$ 73,362	\$ 102,278	\$ (28,916)	\$ 1,453,341
Service Revenue	-	8,500	(8,500)	293,675	87,857	17,000	70,857	1,944,989
Service Expenses	(10,204)	(71,500)	61,296	(411,745)	(95,034)	(143,000)	47,966	(2,681,805)
Total Direct Event Income	11,458	(11,861)	23,319	170,438	66,185	(23,722)	89,907	716,525
Ancillary Income								
F&B Concession	-	40,774	(40,774)	246,183	-	81,548	(81,548)	1,181,073
F&B Catering	-	3,959	(3,959)	28,256	-	7,918	(7,918)	127,420
Novelty Sales	-	2,460	(2,460)	24,930	-	4,920	(4,920)	146,434
Booth Cleaning	-	-	-	-	660	-	660	802
Audio Visual	-	-	-	-	-	-	-	95
Other Ancillary	6,300	-	6,300	-	17,460	-	17,460	(500)
Total Ancillary Income	6,300	47,193	(40,893)	299,369	18,120	94,386	(76,266)	1,455,324
Other Event Income								
Ticket Rebates(Per Event)	0	16,500	(16,500)	171,570	729	33,000	(32,271)	808,192
Total Other Event Income	0	16,500	(16,500)	171,570	729	33,000	(32,271)	808,192
Total Event Income	17,758	51,832	(34,074)	641,377	85,034	103,664	(18,630)	2,980,041
Other Operating Income								
Luxury Box Agreements	0	6,825	(6,825)	187,992	293,980	13,650	280,330	1,158,186
Advertising	0	0	0	56,680	144,466	0	144,466	437,128
Other Income	(332)	6,000	(6,332)	4,759	31,651	48,000	(16,349)	59,896
Total Other Operating Income	(332)	12,825	(13,157)	249,431	470,097	61,650	408,447	1,655,210
Adjusted Gross Income	17,427	64,657	(47,230)	890,808	555,131	165,314	389,817	4,635,250
Operating Expenses								
Salaries and Wages	51,908	89,164	(37,256)	185,278	473,710	178,328	295,382	1,614,088
Payroll Taxes and Benefits	27,054	20,766	6,288	40,073	215,713	41,532	174,181	248,457
Labor Allocations to Events	-	-	-	(111,048)	(68,180)	-	(68,180)	(731,437)
Net Salaries and Benefits	78,962	109,930	(30,968)	114,303	621,243	219,860	401,383	1,131,108
Contracted Services	4,067	24,150	(20,083)	24,445	27,214	48,300	(21,086)	211,224
General and Administrative	27,585	28,460	(875)	35,297	186,766	56,920	129,846	372,612
Operations	897	7,955	(7,058)	5,312	8,751	15,910	(7,159)	40,955
Repair and Maintenance	15,218	34,219	(19,001)	11,521	104,308	68,438	35,870	150,447
Operational Supplies	6,265	21,393	(15,128)	31,650	40,560	42,786	(2,226)	179,825
Insurance	23,360	12,692	10,668	24,636	82,781	25,384	57,397	148,378
Utilities	57,939	61,545	(3,606)	79,448	351,591	123,090	228,501	560,188
SMG Management Fees	15,028	15,237	(209)	14,939	120,226	30,474	89,752	119,509
Total Operating Expenses	229,322	315,581	(86,259)	341,551	1,543,440	631,162	912,278	2,914,247
Net Income(Loss) From Operations	(211,894)	(250,924)	39,030	549,257	(988,309)	(465,848)	(522,461)	1,721,004
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(211,894)	(250,924)	39,030	549,257	(988,309)	(465,848)	(522,461)	1,721,004

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Five Months Ended November 30, 2020

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	-	-	-	-	-	-
Sporting Event	-	-	-	-	-	-
Concert	-	-	-	-	729	-
Team Home Games	2	-	186	-	11,458	-
Other	5	-	-	-	72,847	-
GRAND TOTALS	7	-	186	-	85,034	-

As Percentage of Overall

Family Show	0.00%	#DIV/0!	0.00%	#DIV/0!	0.00%	#DIV/0!
Sporting Event	0.00%	#DIV/0!	0.00%	#DIV/0!	0.00%	#DIV/0!
Concert	0.00%	#DIV/0!	0.00%	#DIV/0!	0.86%	#DIV/0!
Team Home Games	28.57%	#DIV/0!	100.00%	#DIV/0!	13.47%	#DIV/0!
Other	71.43%	#DIV/0!	0.00%	#DIV/0!	85.67%	#DIV/0!

Van Andel Arena
Balance Sheet
As of January 31, 2021

ASSETS

Current Assets

Cash	6,439,227
Account Receivable	961,571
Prepaid Expenses	165,914

Total Current Assets		\$7,566,711
-----------------------------	--	--------------------

Total Assets		\$7,566,711
---------------------	--	--------------------

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	(50,286)
Accrued Expenses	50,615
Deferred Income	744,317
Advanced Ticket Sales & Deposits	6,515,487

Total Current Liabilities		\$7,260,132
---------------------------	--	-------------

Other Liabilities

Equity

Funds Remitted to CAA	0
Funds Received by CAA	1,877,974
Expenses Paid Direct by CAA	322,080
Beginning Balance Equity	(905,167)
Current Year Equity	(988,308)

Total Equity		\$306,579
--------------	--	-----------

Total Liabilities and Equity		\$7,566,711
-------------------------------------	--	--------------------

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of January 31, 2021

Current - Under 30 Days	
Food & Beverage	-
Ticketing	322,440
Merchandise	-
Permanent Advertising	593,484
DeVos Place	(145,572)
Operating	191,219
 Over 30 Days	
 Over 60 Days	
 Over 90 Days	
 Total Accounts Receivable	 961,571

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2021**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2020 Audited
Net Revenue above Expenses	(2,005,287)	(4,123,766)	(6,129,053)	152,577
Benchmark++			1,050,000	1,050,000
Excess	(2,005,287)	(4,123,766)	(7,179,053)	(897,423)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	180,338	180,338	360,676	358,526
Incentive Fee				
Revenue	584,486	109,619	694,105	10,799,359
Benchmark Revenue	5,263,794	4,650,537	9,914,331	9,855,200
Revenue Excess	(4,679,308)	(4,540,918)	(9,220,226)	990,033
Incentive Fee **	-	-	-	-
Total SMG Management Fee	180,338	180,338	360,676	358,526

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



**Grand Rapids-Kent County
Convention/Arena Authority**

Preliminary FY 2022 Budget Planning

March 25, 2021

Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2010 through 2019
March 24, 2021
In Thousands

	Actual									
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
VAA - Net Proceeds	\$ 1,612	\$ 925	\$ 976	\$ 1,793	\$ 532	\$ 1,610	\$ 1,980	\$ 2,865	\$ 2,338	\$ 4,367
DVP - Net Proceeds	36	125	280	784	445	908	1,625	1,465	1,441	1,243
SMG Incentive Fees	(238)	-	-	(331)	-	(344)	(344)	(347)	(353)	(353)
Other-Net Proceeds	<u>(126) ⁽¹⁾</u>	<u>(276)</u>	<u>(425)</u>	<u>(313)</u>	<u>(456)</u>	<u>(308)</u>	<u>(565)</u>	<u>(442)</u>	<u>(516)</u>	<u>(447)</u>
Total Net Operating	1,284	774	831	1,933	521	1,866	2,696	3,541	2,910	4,810
Capital	<u>(675)</u>	<u>(3,416)</u>	<u>(662)</u>	<u>(962)</u>	<u>(2,565)</u>	<u>(1,130)</u>	<u>(2,361)</u>	<u>(2,360)</u>	<u>(2,618)</u>	<u>(4,245)</u>
Transfer To/(From) Fund Balance	<u>609</u>	<u>(2,642)</u>	<u>169</u>	<u>971</u>	<u>(2,044)</u>	<u>736</u>	<u>335</u>	<u>1,181</u>	<u>292</u>	<u>565</u>
Fund Balance, End of Year	<u><u>\$ 24,728</u></u>	<u><u>\$ 22,066</u></u>	<u><u>\$ 22,234</u></u>	<u><u>\$ 23,204</u></u>	<u><u>\$ 21,160</u></u>	<u><u>\$ 21,896</u></u>	<u><u>\$ 22,230</u></u>	<u><u>\$ 23,411</u></u>	<u><u>\$ 23,703</u></u>	<u><u>\$ 24,268</u></u>

Grand Rapids-KentCounty Convention/Arena Authority
FY 2022 Preliminary Budget - Planning
March 22, 2021

	Actual		Estimate	Forecast	
	FY 19	FY 20	FY 21	FY 22	FY 23
Van Andel Arena					
Operating - Revenues	\$ 8,867,124	\$ 5,832,637	\$ 584,486	\$ 4,746,644	\$ 5,981,571
- Expenses - Facilities	(4,579,012)	(3,947,676)	(2,409,435)	(4,245,146)	(4,664,819)
- Management Fees	(176,440)	(179,263)	(180,338)	(183,945)	(189,463)
- Incentive Fee	(201,049)	-	-	-	-
Net Operating Income (Loss)	3,910,623	1,705,698	(2,005,287)	317,553	1,127,289
Parking	385,614	314,418	191,218	350,000	370,000
Pedestrian Safety	(130,605)	(82,159)	-	(65,000)	(100,000)
Net Proceeds (Cost) of VAA	4,165,632	1,937,957	(1,814,069)	602,553	1,397,289
DeVos Place Convention Center					
Operating - Revenues	7,357,133	4,966,722	109,619	4,079,422	6,670,000
- Expenses - Facilities	(7,218,640)	(6,340,580)	(4,053,047)	(5,558,150)	(6,681,454)
- Management Fees	(176,440)	(179,263)	(180,338)	(183,945)	(189,463)
- Incentive Fee	(151,831)	-	-	-	-
Net Operating Loss	(189,778)	(1,553,121)	(4,123,766)	(1,662,673)	(200,917)
Parking	1,344,426	907,156	216,294	700,000	1,200,000
Pedestrian Safety	(63,017)	(42,382)	-	(36,000)	(35,000)
Net Proceeds (Cost) of DVP	1,091,631	(688,347)	(3,907,472)	(998,673)	964,083
Other					
Revenues					
Interest	530,352	547,468	216,447	200,000	250,000
Miscellaneous	126,235	468,276	10,000	10,000	10,000
	656,587	1,015,744	226,447	210,000	260,000
Expenses					
Administration	(1,063,098)	(1,579,050)	(952,453)	(739,000)	(748,000)
Other Operating	(40,229)	(27,827)	(50,000)	(66,000)	(67,000)
	(1,103,327)	(1,606,877)	(1,002,453)	(805,000)	(815,000)
Net Other	(446,740)	(591,133)	(776,006)	(595,000)	(555,000)
Total Net Proceeds/Operating	4,810,523	658,477	(6,497,547)	(991,120)	1,806,372
Capital Expenditures	(4,245,329)	(3,298,781)	(4,317,277)	(200,000)	(1,000,000)
Results Net of Capital Expenditures	\$ 565,194	\$ (2,640,304)	\$ (10,814,824)	\$ (1,191,120)	\$ 806,372
Fund Balance, beginning of year	\$23,703,791	\$24,268,984	\$21,628,680	\$10,813,856	\$8,822,736
Fund Balance, end of year	\$24,268,985	\$21,628,680	\$10,813,856	\$9,622,736	\$9,629,108

STEVEN HEACOCK
CHAIRMAN

HON. ROSALYNN BLISS

LEW CHAMBERLIN

BIRGIT M. KLOHS

CHARLES SECCHIA

FLOYD WILSON, JR.

RICHARD WINN

MEMORANDUM

To: CAA Operations Committee
From: Chris Machuta – ASM Asst General Manager
Date: March 30, 2021
Re: FY22 Capital Plan

After conversation with the Budget Task Force ASM is making the following recommendations for the FY22 capital plan.

Carryover from FY21 Approved Capital List

- Suite Refurbishment \$370,000
 - Project was approved as carryover from the FY20 to FY21 with the understanding that the project would not proceed in full until such time we had a comfort level that the Arena would again be producing revenue.
 - Request that the same be done this cycle with the amount treated as a carryover from FY21 to FY22 with the same caveat that the project does not move forward until assurances of revenue.
- Lyon Street \$600,000
 - \$400,000 was approved as part of the FY21 capital budget that would be carried over to FY22.
 - An additional \$200,000 is being requested to complete the CAA commitment to this project.

New Projects

- ASM is making no request for additional projects to be approved for inclusion in the FY22 CAA budget.
- ASM may come back during FY22 and request an amendment to the budget if revenue supports such a request.

Net Impact to CAA

- The CAA will see an overall savings in the FY21 Capital/Replacement of \$770,000 that will offset the request for inclusion in the FY22 budget.
- The only additional request not already otherwise approved is the \$200,000 for Lyon Street to complete the approved 3-year commitment to the project.



STEVEN HEACOCK
CHAIRMAN

HON. ROSALYNN BLISS

LEW CHAMBERLIN

BIRGIT M. KLOHS

CHARLES SECCHIA

FLOYD WILSON, JR.

RICHARD WINN

Long Term

- ASM is revamping the long-term capital project list to allow for a more graduated return to normal levels of spending.
- Current long term capital list is showing estimated spending:
 - 1-5 Years: \$11-12 million
 - 6-10 Years: \$14-16 million
 - 11-20 Years: \$17-20 million
- It is ASM's plan to come to the CAA Operations committee in October with the following:
 - Detailed project listing of the revamped long-term capital.
 - List of high priority projects that if revenue projections support would lead ASM to request approval for an amendment to the FY22 CAA budget for those projects.

As part of normal reporting process, ASM will be updating the FY21 capital rolling forecast as part of the March 2021 financial statement report. The updated report will also be included in the FY22 capital discussion before final approval at the June 2021 meeting.

