



Agenda

Board of Directors

Friday, August 5, 2016

Following CAA Finance Committee Meeting

Kent County Commission Chambers

300 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|----|--|----------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of June 3, 2016 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | Information |
| | i. Experience Grand Rapids Report | |
| | B. Finance Committee | |
| | i. Acceptance of June 2016 Consolidated Financial Statements | Action |
| | ii. SMG – June 2016 Van Andel Arena® and DeVos Place® Financials | Information |
| 4. | DeVos Place® Parking Ramp – Change in Event Rates | Action |
| 5. | FY 2017 Budget Amendment – New Equipment for DeVos Place® Ramp | Action |
| 6. | Application to Liquor Control Commission for Special License | Action |
| 7. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 8. | Public Comment | |
| 9. | Adjournment | |

Next Meeting Date: Friday, October 7, 2016

(No September Meeting)

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
JOINT MEETING OF
BOARD OF DIRECTORS, FINANCE COMMITTEE
AND OPERATIONS COMMITTEE
Friday, June 3, 2016**

Attendance

Members Present: Steve Heacock, Chairperson
Lew Chamberlin
Floyd Wilson, Jr.
Richard Winn

Members Absent: Rosalynn Bliss
Birgit Klohs
Charlie Secchia

Finance Committee: Jill Ferris
Robert Herr
Jana Wallace

Operations Committee: Tom Almonte
John Canepa
Glenn Del Vecchio
John Van Fossen

Staff/Others:	Kathy Bart	SMG
	Tom Bennett	Experience Grand Rapids
	Kaye Eastman	City of Grand Rapids
	Scott Gorsline	DP Fox
	Tim Gortsema	Grand Rapids Griffins
	Todd Johnson	SMG
	Mike Lloyd	Broadway Grand Rapids
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Greg Sundstrom	City of Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jim Watt	SMG
	Rod Weeber	SMG
	Richard Wendt	Dickinson Wright
	Robert White	CAA

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 7:42 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes. Chair Heacock moved agenda item 4, the State of the CAA Address, to the end of the agenda. Roundtable introductions followed.

2. Minutes of Prior Meeting

Motion by Mr. Chamberlin, support by Mr. Winn, to approve the May 6, 2016, Minutes. Motion carried.

3. Broadway Grand Rapids Update

Mr. Lloyd applauded the courage of the CAA to support the DeVos Performance Hall stage infrastructure changes to accommodate Phantom of the Opera and other large Broadway shows. Broadway GR held its first-ever two-week run with Phantom of the Opera. Attendance was phenomenal and all 16 performances were sold out. The economic impact on the city and on jobs was significant. A local crew of 100 spent three days to unload/reload 20 trucks and 15 Symphony musicians played in the show. More than 100 tour employees stayed in local hotels and patronized local establishments. The success of the show vindicates the expense.

4. Committee Reports

A. Operations Committee

i. Recognition of Jim Watt's Service to CAA Venues

Mr. Chamberlin congratulated Jim Watt on his retirement after 22 years of service to SMG and the CAA's venues. Jim was the first SMG employee in Grand Rapids and was a huge reason for the buildings' successes. Mr. Chamberlin presented Jim with a commemorative brick, a replica of one that will be installed behind DeVos Place®. Thank you, Jim. We will miss you.

ii. Experience Grand Rapids Report

Mr. Bennett provided an overview of the CVB's recent sales activities, marketing efforts, and major bid presentations. Mr. Bennett reviewed the Smith Travel Research numbers for April 2016. Three groups were booked for DeVos Place® that will bring 8,500 attendees to town and have an economic impact of \$8.9 million. The CVB hosted 12 site visits and the national Customer Advisory Board meeting.

B. Finance Committee

i. Acceptance of April 2016 Consolidated Financial Statements

Mr. White reviewed the year-to-date financial dashboard for the period ended April 30, 2016. At the Arena, 20 concerts generated \$1,607,970 in event revenue, a decrease of 2.7% from prior year (18 concerts) of \$1,651,997. Net proceeds of \$1,407,848 increased by 11.6% from prior year of \$1,261,265. DeVos Place® convention/trade show business generated \$1,880,362 in event revenue, an increase of 15.1% over prior year (attendance up from 97,675 to 111,636) of \$163,265. Net proceeds of \$1,082,650 improved by 49.8% over prior year proceeds of \$722,963.

Motion: Mr. Winn, supported by Ms. Wallace, moved to accept the April 2016 Consolidated Financial Statements. Motion carried.

v. SMG April 2016 Van Andel Arena® and DeVos Place® Financial Statements

The SMG financial statements were included in the agenda packet as information items.

5. FY 2017 Budgets

A. Approval of Consolidated CAA Budgets

Mr. White reviewed recommended budget amendments since the CAA reviewed the FY 2017 proposed budget on May 6, 2016. Amendments include:

- Table A - Increase SMG revenues by +\$130,405 and increase SMG expenses by (\$69,152).
- Table B - Increase Area #2 parking revenues by +\$108,178.
- Table B - Increase consulting by +\$40,000 for CAA Lyon Street design work
- Increase diversity initiative +\$25,000.
- Table B1 - Reduce estimated capital spending by (\$799,000).

As a result of these changes, the projected operating deficit for Fiscal Year 2017 has been decreased by \$903,399 to \$1,414,642.

Chair Heacock wondered if the budgets were too conservative, based on the past two years of excellent performance. Mr. MacKeigan responded that there would be no Garth Brooks-type concerts, two conventions will not be here, and Broadway Grand Rapids is expecting a decrease in attendance and revenues. Ms. Wallace questioned whether SMG is foregoing expenses (*e.g.*, professional development, maintenance, *etc.*) in light of the lower revenues and how operations would be impacted. Mr. MacKeigan stated SMG has not made those types of changes to expenses yet, possibly in 10 years. The season will be strong but will not have the financial impact as this year. While the budget is conservative, it is still a pretty good number. Mr. Chamberlin asked whether capital projects would be eliminated or deferred. Mr. MacKeigan stated that the Arena curtain will be deferred to next year, as more due diligence is needed. The scope has changed for the exterior signage. The signage will be refurbished instead of replaced. The Lyon Street project is for design work only and no construction costs are included. There is the potential of converting rooms near the theater and revenue/costs need to be understood before moving forward with Lyon Street. Chair Heacock commended staff and SMG on their excellent work.

Motion by Mr. Winn, support by Ms. Wallace, to approve (1) the FY 2017 SMG – DeVos Place® and Van Andel Arena® operating budgets; (2) the FY 2017 SMG capital budget; and the (3) the FY 2017 Consolidated Operating/Capital Budget. Motion carried.

6. Approval of FY 2017-FY 2021 DeVos Place® Rate Sheets

Motion by Mr. Winn, support by Mr. Wilson, to re-approve the FY 2017-FY2020 DeVos Place® rate sheets and approve the FY 2021 DeVos Place® rate sheets. Motion Carried.

7. SMG Report and Facilities Calendars

Mr. MacKeigan summarized the event calendars for the venues. Lynne Ike will be retiring at the end of the month and appreciates the CAA's support through the years. Mr. MacKeigan thanked staff for their professionalism in handling all of the challenges of the Garth Brooks concerts.

8. State of the CAA Address

Chair Heacock stated that his annual report would cover activities at the three venues (DeVos Place®, DeVos Performance Hall, and Van Andel Arena®), as well as potential initiatives. The Welsh

Auditorium and Grand Center were replaced by the DeVos Place® expansion completed in 2005 at a cost of \$211 million. DeVos Place® includes DeVos Performance Hall, the exhibit hall floor that is the size of three football fields, and the Steelcase Ballroom with the capacity to serve 2,500 people. The exhibit halls host several annual public shows produced by ShowSpan, including the International Wine, Beer & Food Festival, as well as the bridal show, kids & family expo, and West Michigan mom's sale. A broad range of sports events and conventions are held at DeVos Place®, as well, including Gymnastics on the Grand, JumpJam, table tennis, the National Organization of Black Law Enforcement Executives, Wolverine World Wide, and the Society of Forensic Toxicologists. These events take place as the result of the collaborative relationship of SMG, Experience Grand Rapids, and the Amway Grand Plaza Hotel, otherwise known as the "Three-Legged Stool." Take one leg away, and the whole stool falls down.

DeVos Performance Hall remains active due to the success of the four arts tenants-Broadway Grand Rapids, Grand Rapids Ballet, Grand Rapids Symphony, and Opera Grand Rapids. May saw the first two-week run of Broadway's Phantom of the Opera, running about 97% sold and over 35,000 patrons. The Symphony Pops had three sold-out performances of the Music of John Williams over Mother's Day weekend. Because of the determined efforts of Chris Machuta, this past year, the performance hall was booked for an additional 36 events with attendance of more than 52,000 and included sell-out performances by Dave Chappelle, Neil deGrasse Tyson, and Tyler Perry's Madea on the Run play.

The almost 20-year old Van Andel Arena® continues to shine as the economic beacon for the CAA. More than 710,000 patrons attended events in FY 2015. Recent sold out concerts include Ariana Grande, Trans-Siberian Orchestra, Zac Brown Band, Winter Jam, Monster Jam, Fall Out Boy, Elton John, Garth Brooks, Twenty-One Pilots, and Paul McCartney. The Intermission sports bar is open to the public during events. Nonprofit groups are able to earn money for their organizations by working at the concession stands. Commissions to nonprofit groups from January 2016-April 2016 have equaled almost \$162,000. The Arena is home to the 2013 Calder Cup Champions, Grand Rapids Griffins. This year, the Griffins made it to the Central Division finals, losing to the Lake Erie Monsters 4-3 in overtime.

Current financial success equals longer term viability. The CAA's current fund balance reserves of \$22 million are projected to cover maintenance and repairs through 2026. It is a goal of the CAA Board to stretch these reserves to 2032 when the bonds are paid in full. Once the bonds are paid off, the County will have hotel/motel tax to spend, presumably to a) reimburse the County for general funds used to the pay the bonds; b) for Experience Grand Rapids; and c) for the CAA facilities. The question becomes how to stretch funding to remain viable at least until 2032 and more likely for the life of the facilities.

So, what's next? The area #2 parking lot structure project has been placed on hold due to bond related issues involved. There is the potential for retail space in the convention center meeting rooms along Monroe Avenue, and this idea is being pursued. There is also potential for use of the alleyway that is located just east of the Arena. The CAA has an excellent working relationship with SMG corporate and local staff. The resources of SMG enable the venues to attract big-name talent.

Mr. Heacock extended congratulations and appreciation to both Lynne Ike and Jim Watt on their retirement. They have been wonderful assets to SMG, the CAA, and the venues. Best wishes to both.

9. Public Comment

None.

10. Adjournment

The meeting adjourned at 9:11 a.m.

Richard A. Winn, Recording Secretary

**The next CAA meeting: Friday, August 5, 2016
Following the CAA Finance Committee Meeting**

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
June 30, 2016
Preliminary Year-End, Subject to Audit**

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**Financial Dashboard
Year-To-Date (12 Months)
FY2016
June 30, 2016
Preliminary Year-End, Subject to Audit**

Van Andel Arena®						
	All Events			Concert		
	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Events	107	98	115	23	21	29
Attendance	644,869	563,000	706,287	192,865	180,500	251,817
Event Income	\$ 3,453,981	\$ 3,030,658	\$ 3,752,863	\$ 2,009,899	\$ 1,700,884	\$ 2,244,044
DeVos Place®						
	All Events			Convention/Trade		
	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Events	505	467	487	127	105	122
Attendance	592,036	482,600	656,981	115,825	105,000	133,336
Event Income	\$ 6,035,137	\$ 5,881,710	\$ 6,806,850	\$ 2,024,184	\$ 2,163,500	\$ 2,264,941
				<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
				\$ 1,866,179	\$ 538,013	\$ 2,738,001
				(1,129,943)	(2,774,000)	(2,379,484)
				\$ 736,236	\$ (2,235,987)	\$ 358,517

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2015*

\$ 21,896,324

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2016
Preliminary Year-End, Subject to Audit

	FY 2016				FY 2015
	7/1 - 6/30 Year-to-Date	Roll	Full-Year Estimate	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 6,275,074	\$ -	\$ 6,275,074	\$ 5,073,448	\$ 5,789,536
- Expenses - Facilities	(4,331,897)	-	(4,331,897)	(4,122,352)	(4,077,497)
- Base Management Fees	(171,942)	-	(171,942)	(176,065)	(171,770)
- Incentive Fee	(116,533)	-	(116,533)	(5,552)	(109,538)
Net Operating Income (Loss)	1,654,702	-	1,654,702	769,479	1,430,731
Parking	197,352	-	197,352	160,084	162,279
Pedestrian Safety	(98,078)	-	(98,078)	(108,000)	(92,151)
Net Proceeds (Cost) of VAA	1,753,976	-	1,753,976	821,563	1,500,859
DeVos Place Convention Center					
Operating - Revenues	6,840,070	-	6,840,070	5,913,710	6,086,652
- Expenses - Facilities	(5,917,324)	-	(5,917,324)	(5,742,406)	(5,888,576)
- Base Management Fees	(171,942)	-	(171,942)	(176,065)	(171,770)
- Incentive Fee	(227,351)	-	(227,351)	(346,578)	(234,002)
Net Operating Income (Loss)	523,453	-	523,453	(351,339)	(207,696)
Parking	1,006,026	-	1,006,026	915,239	933,496
Pedestrian Safety	(55,314)	-	(55,314)	(66,000)	(51,417)
Net Proceeds (Cost) of DVP	1,474,165	-	1,474,165	497,900	674,383
Other					
Revenues	335,839	-	335,839	185,000	374,174
Expenses	(825,979)	-	(825,979)	(966,450) ⁽¹⁾	(683,237)
Net Other	(490,140)	-	(490,140)	(781,450)	(309,063)
		-			
Total Net Proceeds/Operating	2,738,001	-	2,738,001	538,013	1,866,179
Capital Expenditures	(2,379,484)		(2,379,484)	(2,774,000) ⁽¹⁾	(1,129,943)
Results Net of Capital Expenditures	\$ 358,517	\$ -	\$ 358,517	\$ (2,235,987)	\$ 736,236

Notes:

(1)

Includes budget amendments, approved 11/6/15 for additional utility study consulting - \$125,000 and ice floor compressor replacement - \$60,000, and additional \$4,000 approved 3/4/16 for the CIG.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2016
Preliminary Year-End, Subject to Audit

	Annual			Year-To-Date		
	FY 2015 Final	FY 2016 Budget	Percentage Change	FY 2015 7/1 - 6/30	FY 2016 7/1 - 6/30	Percentage Change
Van Andel Arena						
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	(12.4)	\$ 5,789,536	\$ 6,275,074	8.4
- Expenses - Facilities	(4,077,497)	(4,122,352)	(1.1)	(4,077,497)	(4,331,897)	(6.2)
- Base Management Fees	(171,770)	(176,065)	(2.5)	(171,770)	(171,942)	(0.1)
- Incentive Fee	(109,538)	(5,552)	94.9	(109,538)	(116,533)	(6.4)
Net Operating Income (Loss)	1,430,731	769,479	(46.2)	1,430,731	1,654,702	15.7
Parking	162,279	160,084	(1.4)	162,279	197,352	21.6
Pedestrian Safety	(92,151)	(108,000)	(17.2)	(92,151)	(98,078)	(6.4)
Net Proceeds (Cost) of VAA	1,500,859	821,563	(45.3)	1,500,859	1,753,976	16.8
DeVos Place Convention Center						
Operating - Revenues	6,086,652	5,913,710	(2.8)	6,086,652	6,840,070	12.4
- Expenses - Facilities	(5,888,576)	(5,742,406)	2.5	(5,888,576)	(5,917,324)	(0.5)
- Base Management Fees	(171,770)	(176,065)	(2.5)	(171,770)	(171,942)	(0.1)
- Incentive Fee	(234,002)	(346,578)	(48.1)	(234,002)	(227,351)	2.8
Net Operating Loss	(207,696)	(351,339)	(69.2)	(207,696)	523,453	252.0
Parking	933,496	915,239	(2.0)	933,496	1,006,026	7.8
Pedestrian Safety	(51,417)	(66,000)	(28.4)	(51,417)	(55,314)	(7.6)
Net Proceeds (Cost) of DVP	674,383	497,900	(26.2)	674,383	1,474,165	118.1
Other						
Revenues	374,174	185,000	(50.6)	374,174	335,839	(10.2)
Expenses	(683,237)	(966,450)	(41.5)	(683,237)	(825,979)	(20.9)
Net Other	(309,063)	(781,450)	(152.8)	(309,063)	(490,140)	(58.6)
Total Net Proceeds/Operating	1,866,179	538,013		1,866,179	2,738,001	46.7
Capital/Repair Expenditures	(1,129,943)	(2,774,000)		(1,129,943)	(2,379,484)	
Results Net of Capital Expenditures	\$ 736,236	\$ (2,235,987)		\$ 736,236	\$ 358,517	

Significant Notes

Van Andel Arena®

- Page 1 - Twenty-nine concerts generated \$2,244,044 in event revenue, an increase of +11.6% from prior year (23 concerts) of \$2,009,899.
- Page 3 - Net proceeds, of \$1,753,976 increased by +16.8% from prior year of \$1,500,859.

DeVos Place®

- Page 1 - Convention/trade show business generated \$2,264,941 in event revenue, an increase of 11.9% over prior year (attendance up from 115,825 to 133,336) of \$2,024,184.
- Page 3 - Net "proceeds," of \$1,474,165, improved by 118.1% over prior year "proceeds" of \$674,383.

VAN ANDEL ARENA
 ROLLING FORECAST
 FISCAL YEAR ENDING JUNE 30, 2016

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	115	-	115	98	17
ATTENDANCE	709,287	-	709,287	563,000	146,287
DIRECT EVENT INCOME	1,281,887	-	1,281,887	1,169,825	112,062
ANCILLARY INCOME	1,887,403	-	1,887,403	1,338,243	549,160
OTHER EVENT INCOME	583,573	-	583,573	522,590	60,983
TOTAL EVENT INCOME	3,752,863	0	3,752,863	3,030,658	722,205
TOTAL OTHER INCOME	2,522,211	-	2,522,211	2,042,790	479,421
TOTAL INCOME	6,275,074	-	6,275,074	5,073,448	1,201,626
INDIRECT EXPENSES					
EXECUTIVE	206,217	-	206,217	207,761	1,544
FINANCE	214,293	-	214,293	237,778	23,485
MARKETING	349,746	-	349,746	331,989	(17,757)
OPERATIONS	1,969,155	-	1,969,155	1,770,356	(198,799)
BOX OFFICE	143,639	-	143,639	151,243	7,604
LUXURY SEATING	43,347	-	43,347	98,799	55,452
SKYWALK ADMIN	49,346	-	49,346	51,660	2,314
OVERHEAD	1,528,096	-	1,528,096	1,448,831	(79,265)
TOTAL INDIRECT EXP.	4,503,839	-	4,503,839	4,298,417	(205,422)
NET REVENUE ABOVE EXPENSES	1,771,235	-	1,771,235	775,031	996,204
LESS INCENTIVE FEE		116,533	116,533	5,552	(110,981)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,771,235	(116,533)	1,654,702	769,479	885,223

Comments:

June concludes a very successful 20th fiscal year for Van Andel Arena. While the month overall was slower with only one concert hosted during the month, it was a very success sold out Twenty-One Pilots show.

General Manager

Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	June Actual	June Budget	June FY 2015
Number of Events	2	1	2
Attendance	10,203	9,000	6,356
Direct Event Income	\$18,015	\$12,450	(\$15,735)
Ancillary Income	21,569	57,342	37,829
Other Event Income	41,967	7,000	17,457
Other Operating Income	171,708	146,370	275,011
Indirect Expenses	(469,206)	(358,200)	(411,590)
Net Income	(\$215,947)	(\$135,038)	(\$97,028)

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	115	98	107
Attendance	709,287	563,000	644,869
Direct Event Income	\$1,281,887	\$1,169,825	\$1,170,990
Ancillary Income	1,887,403	1,338,243	1,618,067
Other Event Income	583,573	522,590	664,924
Other Operating Income	2,522,211	2,042,790	2,335,050
Indirect Expenses	(4,503,839)	(4,298,417)	(4,249,261)
Net Income	\$1,771,235	\$775,031	\$1,539,770

EVENT INCOME

Direct event income came in consistent with budget and forecast overall.

ANCILLARY INCOME

Ancillary income came in consistent with forecast and behind budget as the concert hosted was not a strong performing concessions event, however, performed consistent with expectations.

INDIRECT EXPENSES

Indirect expenses came in higher than budget overall due to the down time allowing for maintenance, however, consistent with forecast overall.

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2016

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	487	-	487	467	20
ATTENDANCE	656,982	-	656,982	482,600	174,382
DIRECT EVENT INCOME	3,527,652	-	3,527,652	2,939,400	588,252
ANCILLARY INCOME	2,653,587	-	2,653,587	2,639,860	13,727
OTHER EVENT INCOME	625,611	-	625,611	302,450	323,161
		-			
TOTAL EVENT REVENUE	6,806,850	-	6,806,850	5,881,710	925,140
TOTAL OTHER REVENUE	33,220	-	33,220	32,000	1,220
TOTAL OPERATING REVENUE	6,840,070	-	6,840,070	5,913,710	926,360
INDIRECT EXPENSES					
EXECUTIVE	204,322	-	204,322	203,461	(861)
FINANCE	260,480	-	260,480	259,654	(826)
MARKETING	132,636	-	132,636	126,596	(6,040)
OPERATIONS	1,612,610	-	1,612,610	1,541,029	(71,581)
EVENT SERVICES	1,053,044	-	1,053,044	1,096,667	43,623
BOX OFFICE	132,174	-	132,174	91,932	(40,242)
SALES	377,599	-	377,599	402,048	24,449
OVERHEAD	2,316,401	-	2,316,401	2,197,084	(119,317)
TOTAL OPERATING EXP.	6,089,266	-	6,089,266	5,918,471	(170,795)
NET REVENUE ABOVE EXPENSES	750,804	-	750,804	(4,761)	755,565
INCENTIVE FEE		227,351	227,351	346,578	119,227
NET OPERATING REVENUE OVER OPERATING EXPENSES	750,804	(227,351)	523,453	(351,339)	874,792

Comments:

DeVos Place finished the fiscal year ahead of budget and forecast as it had all fiscal year. While ancillary income overall came in consistent with expectations, overall direct and other event income came in well ahead of expectations while expenses remained consistent with budget and prior year.

General Manager

Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	June Actual	June Budget	June FY 2015
Number of Events	37	28	31
Attendance	36,273	17,747	18,323
Direct Event Income	\$241,106	\$94,622	\$115,865
Ancillary Income	210,000	134,729	214,895
Other Event Income	79,693	26,546	11,551
Other Operating Income	3,057	2,674	24,486
Indirect Expenses	(554,364)	(493,206)	(448,607)
Net Income	(\$20,508)	(\$234,635)	(\$81,810)

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	487	467	505
Attendance	656,982	482,600	592,036
Direct Event Income	\$3,527,652	\$2,939,400	\$3,154,481
Ancillary Income	2,653,587	2,639,860	2,467,321
Other Event Income	625,611	302,450	413,335
Other Operating Income	33,220	32,000	51,517
Indirect Expenses	(6,089,266)	(5,918,471)	(6,060,346)
Net Income	\$750,804	(\$4,761)	\$26,308

EVENT INCOME

Event income came in ahead of budget on the strength of a couple of meetings that ended up larger than anticipated, strong selling week of Book of Mormon, and two sold out Tenderloins shows in the Performance Hall.

ANCILLARY INCOME

Ancillary income came in ahead of budget overall on the strength of catering and helped get the fiscal year up to overall budgeted levels for the first time this fiscal year.

INDIRECT EXPENSES

Indirect expenses came in consistent with forecast and consistent overall with prior year.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
June 30, 2016
Preliminary Year-End, Subject to Audit

	Annual			Year-to-Date		
	FY 2015 Final	FY 2016 Budget	Percentage Change	FY 2015 7/1-6/30	FY 2016 7/1-6/30	Percentage Change
Other						
Revenues						
Interest/Capital Contr.	\$ 143,959	\$ 150,000	4.2	\$ 143,959	\$ 168,454	17.0
Miscellaneous	230,217 ⁽¹⁾	35,000	(84.8)	230,217	167,385 ⁽¹⁾	(27.3)
	<u>374,176</u>	<u>-</u>	<u>(50.6)</u>	<u>374,176</u>	<u>335,839</u>	<u>-</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	125,000	125,000	-
Diversity Initiative	46,688	129,000	176.3	46,688	202,401 ⁽²⁾	333.5
Wages/Benefits	128,373	122,605	(4.5)	128,373	119,059	(7.3)
Marketing Campaign	62,711	100,000	59.5	62,711	-	-
Professional Services	67,779	68,000	0.3	67,779	62,910	(7.2)
DID Assessment	39,720	40,500	2.0	39,720	53,269	34.1
Food & Beverage Repairs	-	40,000	100.0+	-	46,890	+100.0
Consulting Services	138,973	197,345	42.0	138,973	122,985	(11.5)
Landscaping	38,920	30,000	(22.9)	38,920	19,514	(49.9)
Procurement of Art	25,162	30,000	19.2	25,162	29,822	18.5
Insurance	13,513	24,000	77.6	13,513	21,861	63.0
Supplies/Other	16,024	60,000	274.4	16,024	22,268	39.0
	<u>702,863</u>	<u>966,450</u>	<u>36.9</u>	<u>702,863</u>	<u>825,979</u>	<u>17.5</u>
Net Proceeds - Operating	<u>\$ (328,687)</u>	<u>\$ (781,450)</u>	<u>(136.5)</u>	<u>\$ (328,687)</u>	<u>\$ (490,140)</u>	<u>(49.2)</u>

Notes:

⁽¹⁾ Includes \$160,000 in FY 2015 and \$112,930 in FY 2016 from Broadway Grand Rapids.

⁽²⁾ Includes \$77,011 FY 2015 carry-forward for Pepe Anguilar concert sponsorship.

Grand Rapids-Kent County Convention/Arena Authority
Analysis of Changes
Fiscal Year Ended June 30, 2016

	In Millions			
	FY 2015			FY 2016
	Actual	Estimate	Actual	Net
Last Forecast of "Net Proceeds/Operating" (Based on April [10 Months] Financials)				\$ 1.801
Van Andel Arena® Operating Revenues	\$ 5.790	\$ 5.895	\$ 6.275	+.380
DeVos Place® Operating Revenues	6.090	6.420	6.840	+.420
Administration				
- Marketing Campaign	-	(0.100)	-	+.100
'- Utility Metering and Use Study	-	(0.125)	(0.065)	+.060
All Other Estimate-to-Actual Variances				-.020
Preliminary Year End "Net Proceeds/Operating" (Subject to Audit)				\$ 2.738

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2016

PRELIMINARY – UNAUDITED

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Robert White
Joe Romano
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



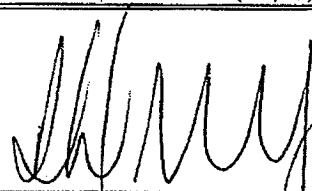
An SMG Managed Facility

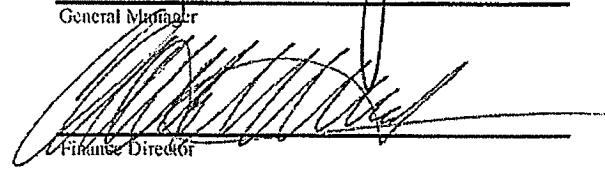
DE VOS PLACE
 ROLLING FORECAST
 FISCAL YEAR ENDING JUNE 30, 2016

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	487	-	487	467	20
ATTENDANCE	656,982	-	656,982	482,600	174,382
DIRECT EVENT INCOME	3,527,652	-	3,527,652	2,939,400	588,252
ANCILLARY INCOME	2,653,587	-	2,653,587	2,639,860	13,727
OTHER EVENT INCOME	625,611	-	625,611	302,450	323,161
TOTAL EVENT REVENUE	6,806,850	-	6,806,850	5,881,710	925,140
TOTAL OTHER REVENUE	33,220	-	33,220	32,000	1,220
TOTAL OPERATING REVENUE	6,840,070	-	6,840,070	5,913,710	926,360
INDIRECT EXPENSES					
EXECUTIVE	204,322	-	204,322	203,461	(861)
FINANCE	260,480	-	260,480	259,654	(826)
MARKETING	132,636	-	132,636	126,596	(6,040)
OPERATIONS	1,612,610	-	1,612,610	1,541,029	(71,581)
EVENT SERVICES	1,053,044	-	1,053,044	1,096,667	43,623
BOX OFFICE	132,174	-	132,174	91,932	(40,242)
SALES	377,599	-	377,599	402,048	24,449
OVERHEAD	2,316,401	-	2,316,401	2,197,084	(119,317)
TOTAL OPERATING EXP.	6,089,266	-	6,089,266	5,918,471	(170,795)
NET REVENUE ABOVE EXPENSES	750,804	-	750,804	(4,761)	755,565
INCENTIVE FEE		227,351	227,351	346,578	119,227
NET OPERATING REVENUE OVER OPERATING EXPENSES	750,804	(227,351)	523,453	(351,339)	874,792

Comments:

DeVos Place finished the fiscal year ahead of budget and forecast as it had all fiscal year. While ancillary income overall came in consistent with expectations, overall direct and other event income came in well ahead of expectations while expenses remained consistent with budget and prior year.


 General Manager


 Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	June Actual	June Budget	June FY 2015
Number of Events	37	28	31
Attendance	36,273	17,747	18,323
Direct Event Income	\$241,106	\$94,622	\$115,865
Ancillary Income	210,000	134,729	214,895
Other Event Income	79,693	26,546	11,551
Other Operating Income	3,057	2,674	24,486
Indirect Expenses	(554,364)	(493,206)	(448,607)
Net Income	(\$20,508)	(\$234,635)	(\$81,810)

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	487	467	505
Attendance	656,982	482,600	592,036
Direct Event Income	\$3,527,652	\$2,939,400	\$3,154,481
Ancillary Income	2,653,587	2,639,860	2,467,321
Other Event Income	625,611	302,450	413,335
Other Operating Income	33,220	32,000	51,517
Indirect Expenses	(6,089,266)	(5,918,471)	(6,060,346)
Net Income	\$750,804	(\$4,761)	\$26,308

EVENT INCOME

Event income came in ahead of budget on the strength of a couple of meetings that ended up larger than anticipated, strong selling week of Book of Mormon, and two sold out Tenderloins shows in the Performance Hall.

ANCILLARY INCOME

Ancillary income came in ahead of budget overall on the strength of catering and helped get the fiscal year up to overall budgeted levels for the first time this fiscal year.

INDIRECT EXPENSES

Indirect expenses came in consistent with forecast and consistent overall with prior year.

DeVos Place
Income Statement
For the Twelve Months Ending June 30, 2016

	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	\$272,123	\$114,600	\$157,523	\$138,085	\$3,789,573	\$3,048,400	\$741,173	\$3,469,108
Service Revenue	322,362	376,934	(54,572)	216,948	3,300,467	2,374,000	926,467	2,671,909
Service Expenses	(353,379)	(396,912)	43,533	(239,168)	(3,562,388)	(2,483,000)	(1,079,388)	(2,986,536)
Total Direct Event Income	241,106	94,622	146,484	115,865	3,527,652	2,939,400	588,252	3,154,481
Ancillary Income								
F&B Concession	20,889	5,873	15,016	11,772	250,388	198,350	52,038	206,462
F&B Catering	120,486	31,062	89,424	118,390	869,013	871,750	(2,737)	859,110
Novelty Sales	1,806	1,298	508	5,194	26,625	12,000	14,625	20,514
Booth Cleaning	1,493	5,940	(4,447)	2,193	334,548	308,210	26,338	309,107
Telephone/Long Distance	0	0	0	0	1,275	0	1,275	1,688
Electrical Services	6,945	13,996	(7,051)	15,416	436,212	490,600	(54,388)	408,620
Audio Visual	41,083	25,903	15,180	49,355	386,626	404,700	(18,074)	325,775
Internet Services	5,299	39,082	(33,783)	4,280	142,453	148,450	(5,997)	120,053
Equipment Rental	11,999	11,575	424	8,295	206,447	205,800	647	215,992
Total Ancillary Income	210,000	134,729	75,271	214,895	2,653,587	2,639,860	13,727	2,467,321
Other Event Income								
Ticket Rebates(Per Event)	79,693	26,546	53,147	11,551	625,611	302,450	323,161	413,335
Total Other Event Income	79,693	26,546	53,147	11,551	625,611	302,450	323,161	413,335
Total Event Income	530,799	255,897	274,902	342,311	6,806,850	5,881,710	925,140	6,035,137
Other Operating Income								
Luxury Box Agreements	1,353	1,337	16	5,068	18,716	16,000	2,716	18,975
Other Income	1,704	1,337	367	19,418	14,504	16,000	(1,496)	32,542
Total Other Operating Income	3,057	2,674	383	24,486	33,220	32,000	1,220	51,517
Adjusted Gross Income	533,856	258,571	275,285	366,797	6,840,070	5,913,710	926,360	6,086,654
Operating Expenses								
Salaries and Wages	271,141	269,834	1,307	216,087	3,459,524	3,238,003	221,521	3,223,039
Payroll Taxes and Benefits	87,925	85,238	2,687	88,341	1,107,765	1,022,853	84,912	1,046,165
Labor Allocations to Events	(170,813)	(154,688)	(16,125)	(153,120)	(2,177,291)	(1,856,254)	(321,037)	(1,902,237)
Net Salaries and Benefits	188,253	200,384	(12,131)	151,308	2,389,998	2,404,602	(14,604)	2,366,967
Contracted Services	31,873	20,820	11,053	24,977	338,240	249,841	88,399	321,227
General and Administrative	47,374	30,510	16,864	36,715	404,827	366,123	38,704	378,051
Operations	4,050	11,146	(7,096)	9,017	122,540	133,750	(11,210)	152,122
Repair and Maintenance	77,068	41,350	35,718	56,699	582,918	496,199	86,719	547,891
Operational Supplies	42,635	20,225	22,410	31,570	261,435	242,700	18,735	209,141
Insurance	16,517	17,616	(1,099)	13,423	242,139	211,391	30,748	245,413
Utilities	132,265	136,483	(4,218)	110,584	1,575,227	1,637,800	(62,573)	1,667,764
SMG Management Fees	14,329	14,672	(343)	14,314	171,942	176,065	(4,123)	171,770
Total Operating Expenses	554,364	493,206	61,158	448,607	6,089,266	5,918,471	170,795	6,060,346
Net Income(Loss) From Operations	(20,508)	(234,635)	214,127	(81,810)	750,804	(4,761)	755,565	26,308
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(20,508)	(234,635)	214,127	(81,810)	750,804	(4,761)	755,565	26,308

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Fiscal Year Ending June 30, 2016

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	122	105	133,336	105,000	2,264,941	2,163,500
Consumer/Gated Shows	57	49	190,015	140,000	1,304,609	1,124,850
DeVos Performance Hall	158	143	232,162	162,100	1,809,665	1,277,550
Banquets	29	40	24,555	26,000	366,186	407,060
Meetings	91	90	36,700	31,500	864,798	616,000
Other	30	40	40,213	18,000	196,650	292,750
GRAND TOTALS	487	467	656,981	482,600	6,806,850	5,881,710

As Percentage of Overall

Convention/Trade Shows	25.05%	22.48%	20.30%	21.76%	33.27%	36.78%
Consumer/Gated Shows	11.70%	10.49%	28.92%	29.01%	19.17%	19.12%
Devos Performance Hall	32.44%	30.62%	35.34%	33.59%	26.59%	21.72%
Ballroom Exclusive	5.95%	8.57%	3.74%	5.39%	5.38%	6.92%
Meetings	18.69%	19.27%	5.59%	6.53%	12.70%	10.47%
Other	6.16%	8.57%	6.12%	3.73%	2.89%	4.98%

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**DeVos Place
Balance Sheet
As of June 30, 2016**

ASSETS

Current Assets

Cash	1,871,940
Account Receivable	906,878
Prepaid Expenses	58,753

Total Current Assets -----
\$2,837,571

Total Assets -----
\$2,837,571
=====

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	95,737
Accrued Expenses	634,745
Deferred Income	97,965
Advanced Ticket Sales & Deposits	1,281,353

Total Current Liabilities -----
\$2,109,800

Other Liabilities

Equity

Funds Remitted to CAA	(2,027,179)
Expenses Paid Direct by CAA	1,418,371
Beginning Balance Equity	585,776
Current Year Equity	750,803

Total Equity -----
\$727,772

Total Liabilities and Equity -----
\$2,837,571
=====

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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2016

Current - Under 30 Days	
Food & Beverage	303,810
Ticketing	12,242
Merchandise	-
Decorating	1,493
Audio/Visual	41,082
Van Andel Arena	117,254
Operating	192,393
Over 30 Days	207,573
Over 60 Days	31,031
Over 90 Days	
Total Accounts Receivable	906,878

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2016**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	1,771,235	750,804	2,522,039	1,566,575
Benchmark ++			750,000	750,000
Excess	1,771,235	750,804	1,772,039	816,575
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Actual	DeVos Place Actual	Total Actual	Total Actual
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	6,275,074	6,840,070	13,115,144	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	1,225,074	2,390,070	3,615,144	2,476,188
Incentive Fee **	116,533	227,351	343,884	343,540
Total SMG Management Fee	288,475	399,293	687,768	687,080

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

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.

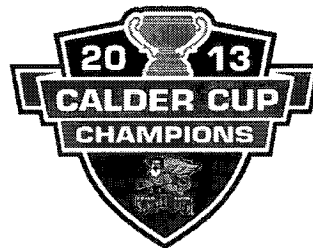


VAN ANDEL ARENA

FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2016

PRELIMINARY – UNAUDITED

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – 2013 CALDER CUP CHAMPIONS



Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Robert White
Joe Romano
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



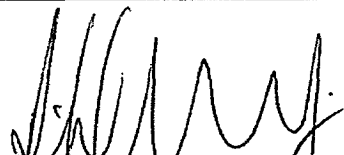
An SMG Managed Facility

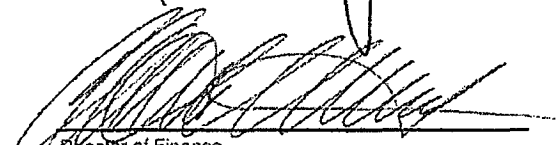
VAN ANDEL ARENA
 ROLLING FORECAST
 FISCAL YEAR ENDING JUNE 30, 2016

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	115	-	115	98	17
ATTENDANCE	709,287	-	709,287	563,000	146,287
DIRECT EVENT INCOME	1,281,887	-	1,281,887	1,169,825	112,062
ANCILLARY INCOME	1,887,403	-	1,887,403	1,338,243	549,160
OTHER EVENT INCOME	583,573	-	583,573	522,590	60,983
TOTAL EVENT INCOME	3,752,863	0	3,752,863	3,030,658	722,205
TOTAL OTHER INCOME	2,522,211	-	2,522,211	2,042,790	479,421
TOTAL INCOME	6,275,074	-	6,275,074	5,073,448	1,201,626
INDIRECT EXPENSES					
EXECUTIVE	206,217	-	206,217	207,761	1,544
FINANCE	214,293	-	214,293	237,778	23,485
MARKETING	349,748	-	349,746	331,989	(17,757)
OPERATIONS	1,969,155	-	1,969,155	1,770,356	(198,799)
BOX OFFICE	143,639	-	143,639	151,243	7,604
LUXURY SEATING	43,347	-	43,347	98,799	55,452
SKYWALK ADMIN	49,346	-	49,346	51,660	2,314
OVERHEAD	1,528,096	-	1,528,096	1,448,831	(79,265)
TOTAL INDIRECT EXP.	4,503,839	-	4,503,839	4,298,417	(205,422)
NET REVENUE ABOVE EXPENSES	1,771,235	-	1,771,235	775,031	996,204
LESS INCENTIVE FEE		116,533	116,533	5,552	(110,981)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,771,235	(116,533)	1,654,702	769,479	885,223

Comments:

June concludes a very successful 20th fiscal year for Van Andel Arena. While the month overall was slower with only one concert hosted during the month, it was a very success sold out Twenty-One Pilots show.


 General Manager


 Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	June Actual	June Budget	June FY 2015
Number of Events	2	1	2
Attendance	10,203	9,000	6,356
Direct Event Income	\$18,015	\$12,450	(\$15,735)
Ancillary Income	21,569	57,342	37,829
Other Event Income	41,967	7,000	17,457
Other Operating Income	171,708	146,370	275,011
Indirect Expenses	(469,206)	(358,200)	(411,590)
Net Income	(\$215,947)	(\$135,038)	(\$97,028)

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	115	98	107
Attendance	709,287	563,000	644,869
Direct Event Income	\$1,281,887	\$1,169,825	\$1,170,990
Ancillary Income	1,887,403	1,338,243	1,618,067
Other Event Income	583,573	522,590	664,924
Other Operating Income	2,522,211	2,042,790	2,335,050
Indirect Expenses	(4,503,839)	(4,298,417)	(4,249,261)
Net Income	\$1,771,235	\$775,031	\$1,539,770

EVENT INCOME

Direct event income came in consistent with budget and forecast overall.

ANCILLARY INCOME

Ancillary income came in consistent with forecast and behind budget as the concert hosted was not a strong performing concessions event, however, performed consistent with expectations.

INDIRECT EXPENSES

Indirect expenses came in higher than budget overall due to the down time allowing for maintenance, however, consistent with forecast overall.

Van Andel Arena
Income Statement
For the Twelve Months Ending June 30, 2016

	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	\$37,275	\$43,500	(\$6,225)	\$128,307	\$2,215,558	\$1,712,773	\$502,785	\$1,875,740
Service Revenue	64,640	27,100	37,540	94,394	1,784,923	1,458,290	326,633	2,196,447
Service Expenses	(83,900)	(58,150)	(25,750)	(238,436)	(2,718,594)	(2,001,238)	(717,356)	(2,901,197)
Total Direct Event Income	18,015	12,450	5,565	(15,735)	1,281,887	1,169,825	112,062	1,170,990
Ancillary Income								
F&B Concession	12,008	54,262	(42,254)	23,987	1,616,490	1,195,241	421,249	1,376,415
F&B Catering	1,824	1,560	264	9,931	148,961	65,590	83,371	139,615
Novelty Sales	7,737	1,020	6,717	3,911	120,917	78,412	42,505	99,310
Booth Cleaning	0	0	0	0	999	0	999	2,545
Audio Visual	0	500	(500)	0	36	(1,000)	1,036	182
Total Ancillary Income	21,569	57,342	(35,773)	37,829	1,887,403	1,338,243	549,160	1,618,067
Other Event Income								
Ticket Rebates(Per Event)	41,967	7,000	34,967	17,457	583,573	522,590	60,983	664,924
Total Other Event Income	41,967	7,000	34,967	17,457	583,573	522,590	60,983	664,924
Total Event Income	81,551	76,792	4,759	39,551	3,752,863	3,030,658	722,205	3,453,981
Other Operating Income								
Luxury Box Agreements	111,276	90,288	20,988	129,988	1,786,462	1,369,790	416,672	1,636,395
Advertising	56,680	52,082	4,598	141,496	667,400	625,000	42,400	630,379
Other Income	3,752	4,000	(248)	3,527	68,349	48,000	20,349	68,276
Total Other Operating Income	171,708	146,370	25,338	275,011	2,522,211	2,042,790	479,421	2,335,050
Adjusted Gross Income	253,259	223,162	30,097	314,562	6,275,074	5,073,448	1,201,626	5,789,031
Operating Expenses								
Salaries and Wages	161,374	174,009	(12,635)	153,061	2,237,903	2,088,106	149,797	2,350,724
Payroll Taxes and Benefits	40,504	50,789	(10,285)	45,457	634,399	609,469	24,930	682,462
Labor Allocations to Events	(43,690)	(69,965)	26,275	(41,829)	(1,053,913)	(839,580)	(214,333)	(1,290,947)
Net Salaries and Benefits	158,188	154,833	3,355	156,689	1,818,389	1,857,995	(39,606)	1,742,239
Contracted Services	19,434	20,928	(1,494)	23,287	241,675	251,141	(9,466)	238,738
General and Administrative	74,941	30,368	44,573	27,633	426,414	364,420	61,994	368,043
Operations	7,149	7,365	(216)	515	56,335	88,384	(32,049)	45,393
Repair and Maintenance	59,047	21,924	37,123	82,458	353,766	263,090	90,676	340,167
Operational Supplies	66,132	15,417	50,715	18,022	254,711	185,000	69,711	191,031
Insurance	5,413	10,830	(5,417)	4,233	209,145	129,962	79,183	179,526
Utilities	64,573	81,863	(17,290)	84,439	971,462	982,360	(10,898)	972,354
SMG Management Fees	14,329	14,672	(343)	14,314	171,942	176,065	(4,123)	171,770
Total Operating Expenses	469,206	358,200	111,006	411,590	4,503,839	4,298,417	205,422	4,249,261
Net Income(Loss) From Operations	(215,947)	(135,038)	(80,909)	(97,028)	1,771,235	775,031	996,204	1,539,770
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(215,947)	(135,038)	(80,909)	(97,028)	1,771,235	775,031	996,204	1,539,770

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Twelve Months ending June 30, 2016

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	26	27	80,844	85,500	285,181	313,822
Sporting Event	6	8	34,176	46,000	323,903	365,272
Concert	29	21	251,817	180,500	2,244,044	1,700,884
Team Home Games	42	38	290,161	228,000	605,677	588,658
Other	12	4	52,289	23,000	294,058	62,022
GRAND TOTALS	115	98	709,287	563,000	3,752,863	3,030,658

As Percentage of Overall

Family Show	22.61%	27.55%	11.40%	15.19%	7.60%	10.35%
Sporting Event	5.22%	8.16%	4.82%	8.17%	8.63%	12.05%
Concert	25.22%	21.43%	35.50%	32.06%	59.80%	56.12%
Team Home Games	36.52%	38.78%	40.91%	40.50%	16.14%	19.42%
Other	10.43%	4.08%	7.37%	4.09%	7.84%	2.05%

**Van Andel Arena
Balance Sheet
As of June 30, 2016**

ASSETS

Current Assets

Cash	6,893,239
Account Receivable	535,945
Prepaid Expenses	5,705

Total Current Assets

\$7,434,889

Total Assets

\$7,434,889
=====

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	271,292
Accrued Expenses	1,033,122
Deferred Income	1,429,382
Advanced Ticket Sales & Deposits	5,645,559

Total Current Liabilities

\$8,379,355

Other Liabilities

Equity

Funds Remitted to CAA	(1,854,329)
Expenses Paid Direct by CAA	876,942
Beginning Balance Equity	(1,738,315)
Current Year Equity	1,771,237

Total Equity

(\$944,466)

Total Liabilities and Equity

\$7,434,889
=====

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2016

Current - Under 30 Days	
Food & Beverage	25,901
Ticketing	59,835
Merchandise	-
Permanent Advertising	505,617
DeVos Place	(117,255)
Operating	40,872
Over 30 Days	7,429
Over 60 Days	13,546
Over 90 Days	
Total Accounts Receivable	535,945

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2016**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	1,771,235	750,804	2,522,039	1,566,575
Benchmark ++			750,000	750,000
Excess	1,771,235	750,804	1,772,039	816,575
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Actual	DeVos Place Actual	Total Actual	Total Actual
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	6,275,074	6,840,070	13,115,144	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	1,225,074	2,390,070	3,615,144	2,476,188
Incentive Fee **	116,533	227,351	343,884	343,540
Total SMG Management Fee	288,475	399,293	687,768	687,080

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

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.



Memorandum

To: CAA Finance Committee
Chair – Richard Winn

From: Robert White

Subject: DeVos Place® Ramp – Change in Event Rate

Date: August 1, 2016

On May 23rd, the City authorized adoption of revised parking rates at various City facilities. These new rates are to take effect on September 1st.

Included in these rate adjustments was a recommendation to increase the Government Center event rate from \$8 to \$9. The DeVos Place® ramp has maintained an event rate one dollar higher than the rate at this adjacent facility (convenience/climate). I recommend the DVP-event rate be increased from \$9 to \$10, effective on or after September 1st.

A recent survey of nearby parking facilities disclosed the following list of current facility event rates:

<u>Facility</u>	<u>Rate</u>
Midtown Ramp	\$11.00
Oldtown Ramp	\$10.00
Amway Grand Plaza Ramp	\$10.00
DeVos Place® Ramp (proposed)	\$10.00
Government Center Ramp	\$ 9.00
Fifth Third Ramp	\$ 8.00

ACTION: Increase the DeVos Place® parking ramp event rate from \$9 to \$10, effective September 1, 2016.



Memorandum

To: CAA Finance Committee
Chair – Richard Winn

From: Robert White

Subject: DeVos Place® Ramp – New Equipment Acquisition

Date: August 1, 2016

The DeVos Place® ramp has three entrance/exit lanes in the facility. Two of these lanes (Michigan Street entrance) were previously upgraded with automated equipment. The south portal is only open for event users, when managed by Auto Parking staff.

Under terms of the “Parking Operations Agreement,” with the City of Grand Rapids, Section 2 assigns responsibility for parking control equipment as follows: “The CAA shall at its cost be responsible for providing, replacing and upgrading at each entry/exit to the parking spaces parking control equipment compatible with the City’s Auto Parking System.”

On July 23rd, the City awarded a contract to Traffic and Safety Control Systems, Inc., for a comprehensive parking control equipment replacement program. The list of facilities included DeVos Place®. This is “next generation” equipment including features not currently available. A copy of the bid tabulation pertaining to DeVos Place® is included with this memo. The cost attributed to DeVos Place® totals \$232,236.

In the near future, the City will establish an equipment conversion schedule for all facilities. Timing of the DeVos Place® conversion will be coordinated between SMG and Auto Parking staff to minimize any inconvenience to facility users.

This capital replacement project was not included in the FY 2017 budget recently adopted. I recommend authorization to proceed with this project.

ACTION: Increase the current FY 2017 budget for capital-repair/replacement/acquisition by \$232,236 to provide for this Auto Parking System project.

SOLICITATION RESPONSE - COST SHEET

ITEM #/QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL
AMG Product Relocation Installation Project			
Area 2-9, 201 Market, North Monroe, Scribner, Ionia Mason, Loop Lot			
50. 1 Lump Sum	Installation labor and materials to include the following: Install eight (8) AMG Ticket Dispenser, Remove seven (7) Hamilton Pay on Entry Machines Install eight (8) AMG 680) Pay in Lane Machines Install Card Readers and Intercoms Remove and replace bollards, as needed Saw cut 24 loops and wire up Reprogram PIL units Electrical power to TD and PIL units Wire up, terminate, and test		<u>\$47,379.00/LS</u>
51. 8 Each	AGP 5200 Fee Computer Window 7 upgrades	<u>\$2950.00/Ea.</u>	<u>\$23600.00/Total</u>
Subtotal - AMG Product Relocation Installation Project			
<u>\$70,979.00/Subtotal</u>			
Total City of Grand Rapids Equipment, Software and Installation			<u>\$1058381.00/Total</u>
DeVos Place			
52. 3 Each	OPUS 2700 Ticket Dispenser w/CC in/ Flex/ CR	<u>\$12605.00/Ea.</u>	<u>\$37815.00/Total</u>
53. 3 Each	OPUS 7700 Pay In Lane w/CC in/ Flex/ CR	<u>\$39866.00/Ea.</u>	<u>\$119598.00/Total</u>
54. 1 Each	Intercoms, licenses and boards	<u>\$2908.00/Ea.</u>	<u>\$2908.00/Total</u>
55. 3 Each	OPUS 5000 Fee Computers	<u>\$8654.00/Ea.</u>	<u>\$25962.00/Total</u>
56. 3 Each	OPUS 9000 Validators	<u>\$5700.00/Ea.</u>	<u>\$17100.00/Total</u>
57. 3 Each	OPUS Bar Code Scanners	<u>\$865.00/Ea.</u>	<u>\$2595.00/Total</u>
58. 1 Each	AMS9060MC75 Panasonic Handheld Scanners including spare batteries	<u>\$5055.00/Ea.</u>	<u>\$5055.00/Total</u>
59. 1 Each	AMS9080PTR Oneil Wireless Printer	<u>\$1793.00/Ea.</u>	<u>\$1793.00/Total</u>
60. 1 Each	Blue Tooth Vend Module	<u>\$830.00/Ea.</u>	<u>\$830.00/Total</u>
61. 1 Lump Sum	Installation		<u>\$18580.00/LS</u>
Total DeVos Place Equipment and Installation			<u>\$232236.00/Total</u>
Grand Total Equipment, Software and Installation			<u>\$1290617.00/Total</u>

Bidder: TrafficandSafetyControlSystems, Inc.



Memorandum

To: CAA Board of Directors

From: Rich MacKeigan

Date: August 2, 2016

Re: Application to Liquor Control Commission for Special License

As we move forward with planning the operational aspects of the upcoming International Wine, Beer & Food Festival, the CAA will need to apply to the Michigan Liquor Control Commission for a Special (24-Hour) On-Premise License. This license allows nonprofit, religious, fraternal, civic, or patriotic organizations to obtain a one-day license to sell alcoholic beverages (beer, wine, and liquor) to the public for on-premise consumption.

Specific requirements for the Special On-Premise License include:

1. Profits from the sale of alcoholic beverages must go to the organization and not to any individual.
2. The chief local law enforcement officer in the governmental unit must approve the request where the event is to be held.
3. No more than 5 licenses are issued to individual organizations each calendar year.
4. Proof of nonprofit status must be provided with the application unless the applicant is a national organization or has obtained previous special licenses.

The license fee is \$25.00 for each separate, consecutive day of the event. This is the same process we go through every year, and I am recommending we apply for this license as the cost is minimal, to allow for greater flexibility on the operational side.

Action requested: Approval to submit an application to the Michigan Liquor Control Commission for a Special On-Premise License.