

Agenda

Board of Directors

Friday, August 5, 2022
Following CAA Finance Committee Meeting
Kent County Administration Building
300 Monroe, NW • Grand Rapids, MI 49503

- | | | |
|-----|--|----------------|
| 1. | Call to Order | Richard Winn |
| 2. | Minutes of June 3, 2022 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Report from Experience Grand Rapids | Information |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending June 30, 2022 | Action |
| | ii. ASM Global Financial Statements for Period Ending June 30, 2022 - DeVos Place® and Van Andel Arena® | Information |
| | iii. Auto Parking System Periodic Reporting | Information |
| 4. | Director & Officer Insurance Renewal | Action |
| 5. | Resolution Approving and Authorizing Execution of a Memorandum of Understanding with Grand Action Foundation 2.0 Related to the Amphitheater Project and Other Matters Related Thereto | Action |
| 6. | Resolution Approving Term Sheet and Authorizing Preparation and Execution of a Use Agreement with SSJ Group, LLC | Action |
| 7. | Application to Liquor Control Commission for Special License | Action |
| 8. | Calendar Update from ASM Global | Rich MacKeigan |
| 9. | Public Comment | |
| 10. | Adjournment | |

Please note that the CAA Finance Committee meeting starts at 8 AM, followed by the CAA Board meeting. Timing for the CAA Board meeting varies based on how long the Committee meeting takes.

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
JOINT MEETING OF
BOARD OF DIRECTORS AND COMMITTEES
DEVOS PLACE® | 303 MONROE, NW | GRAND RAPIDS, MI
FRIDAY, JUNE 3, 2022**

Attendance

Board Members: Richard Winn, Chairperson
Mandy Bolter
M. Scott Bowen
Birgit Klohs

Absent: Rosalynn Bliss
Lew Chamberlin

Finance Committee: Jeff Dood
Jill Ferris
Robert Herr
Jay Preston
Marvin Van Nortwick
Jana Wallace

Absent: Joe Jones

Operations Committee: Jim Conner
Glenn Del Vecchio
Al Jano

Absent: Peter D'Arienzo
Darius Quinn
John Van Fossen

Liaison Committee: Carol Hennessy
Nathaniel Moody
Lindsey Thiel

Absent: Rosalynn Bliss
Ben Greene
Jon O'Connor

Community Inclusion Group: Omar Cuevas
Evette Pittman

Absent: Mercedes Barragan
Connie Dang
Rosie del Valle
Jordoun Eatman
Kristian Grant
Joe Jones

Minnie Morey
Darius Quinn
Darel Ross
Adrian Sotelo
Robert Womack

Staff/Others:

Andrea Anderson	City of Grand Rapids
Hilarie Carpenter	ASM
Thomas Coomes	Citigroup
Eric DeLong	City of Grand Rapids
Meghan Distel	Broadway Grand Rapids
Tim Gortsema	Grand Rapids Griffins
Lyndsey Horvath	ASM
Steve Jbara	Grand Rapids Gold
Hayden Johnson	ASM
Andy Kursch	ASM
Abby Lanham	Calvin University Research Student
Chris Machuta	ASM
Rich MacKeigan	ASM
Mary Manier	Experience Grand Rapids
Cheri McConomy	McConomy Properties LLC
Brian McVicar	<i>MLive/The Grand Rapids Press</i>
Jackie Morse	ASM
Marcus Scott	ASM
Emilee Syrewicze	Opera Grand Rapids
Brad Thomas	Progressive AE
Al Vanderberg	Kent County
Susan Waddell	CAA
Jessica Wood	Dickinson Wright
Paul Ymker	Bluewater Technologies

1. Call to Order

Richard Winn, Chairperson, called the meeting to order at 8:13 a.m. Staff recorded the meeting minutes. Joint Convention/Arena Authority (CAA) Board and Committee meetings are held in June and in December of each year.

2. Minutes of May 6, 2022

Motion by Ms. Klohs, support by Mr. Bowen, to approve the May 6, 2022, Board minutes. Motion approved.

3. FY 2023 Budgets

Ms. McConomy stated that the proposed FY 2023 budgets were presented at the May meeting and include one change to reflect the new parking rates that go into effect July 1, 2022. The adjustment will add \$200,000 to the bottom line. The FY 2023 recommendation forecasts a net operating income of \$1.06 million. The budget requests \$4.35 million in capital spending that will be supported by net operating income, investment earnings, and a drawdown from the capital reserve account. Major capital projects include DeVos Place® roof replacement and ballroom lighting controls, DeVos Performance Hall upgrades, and Van Andel Arena® suite refresher. The CAA will close FY 2022 with a fund balance approximating \$25.1 million.

Motion by Mr. Preston, support by Ms. Wallace, to recommend CAA Board approval of A) the proposed FY 2023 ASM - DeVos Place® and Van Andel Arena® operating budgets; B) the proposed FY 2023 capital budget; C) the proposed FY 2023 facility parking rates; and D) the proposed FY 2023 Consolidated Operating/Capital Budget. Motion approved unanimously.

Motion by Mr. Bowen, support by Ms. Klohs, for approval of A) the proposed FY 2023 ASM - DeVos Place® and Van Andel Arena® operating budgets; B) the proposed FY 2023 capital budget; C) the proposed FY 2023 facility parking rates; and D) the proposed FY 2023 Consolidated Operating/Capital Budget. Motion approved unanimously.

4. DeVos Place® Rate Sheets: FY 2023- FY 2076

Motion by Ms. Klohs, support by Mr. Bowen, to approve the FY 2023-FY 2027 DeVos Place® rate sheets. Motion approved unanimously.

5. Committee Reports

A. Finance Committee

i. Acceptance of April 2022 Consolidated Financial Statements

Mr. Preston presented the consolidated financial report for the period ended April 30, 2022. Events and concert activity at the Van Andel Arena® were stronger than budgeted, with year-to-date over \$2 Million in event income. Monthly net proceeds of \$678,414 increased from prior year of (\$110,778). Activity at DeVos Place® was stronger than expected, but consistent with the revised forecast. Monthly net proceeds of (\$75,834) decreased from prior year of (\$339,333).

Motion by Mr. Herr, support by Ms. Wallace, to recommend CAA Board acceptance the April 2022 Consolidated Financial Statements. Motion approved unanimously.

Motion by Ms. Klohs, support by Mr. Bowen, to accept the April 2022 Consolidated Financial Statements. Motion approved unanimously.

ii. ASM Global Financial Statements for Period Ending April 30, 2022 – DeVos Place® and Van Andel Arena®

The ASM Global Financial Statements were included as information items.

B. Operations Committee

i. Experience Grand Rapids Report

Ms. Manier provided an overview of the CVB's recent bookings, sales activities, marketing efforts, and major bid presentations. The sales team was busy at home, hosting 15 meeting planners and tours during the month of May. The sales team was on the road attending out-of-state sales missions, meetings, and client events.

6. ASM Global Report and Facilities Calendars

Mr. MacKeigan provided a summary of events occurring at DeVos Performance Hall and the Van Andel Arena®.

7. Public Comment

Steve Jbara, President of the Grand Rapids Gold, the NBA G League affiliate of the Denver Nuggets, announced that the basketball team has moved to the Van Andel Arena® for the next five seasons. The CAA is delighted to welcome the GR Gold to the Arena and looks forward to working with the staff and players.

8. Board Member Comments

Ms. Klohs expressed appreciation to Jon Nunn on his 30 years of service to Grand Action and Grand Action 2.0. Congratulations to Kara Wood on being selected as the next executive director of Grand Action 2.0.

Chair Winn extended congratulations to Eric DeLong on his last day at the City of Grand Rapids, after serving, with distinction, the city and its constituents for the past 26 years. Eric appreciated the acknowledgement and added that he will continue to work on special projects.

8. Adjournment

The meeting adjourned at 8:42 a.m.

Susan M. Waddell, Recording Secretary



Consolidated Financial Report
June 30, 2022

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GRAND RAPIDS-KENT COUNTY

CONVENTION / ARENA AUTHORITY

Financial Dashboard
Year-To-Date (12 Months)
June 30, 2022

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	32	78	109	-	19	35
Attendance	13,119	523,600	616,064	-	154,000	256,581
Event Income	\$ 729,644	\$ 4,746,644	\$ 7,720,280	\$ 1,100	\$ 1,593,064	\$ 3,711,810
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	46	269	409	-	113	98
Attendance	2,369	390,370	444,041	-	101,620	76,055
Event Income	\$ 288,562	\$ 4,079,422	\$ 6,284,599	\$ (21,663)	\$ 1,964,056	\$ 1,511,042
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ (2,893,169)	\$ (2,200,879)	\$ 13,271,639
Capital/Repair/Replacement				(4,905,151)	(1,344,432)	(158,143)
Net - To/(From) on Fund Balance				\$ (7,798,320)	\$ (3,545,311)	\$ 13,113,496

(1), (2)

***NOTES:**

(1) Unrestricted Fund Balance at 6/30/21 - \$13,796,920

(2) Excluding the \$10 million SBA grant, 6/30 year-to-date performance = \$ 3,113,496

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2022

	FY 2022			
	7/1/21 - 6/30/22			
	Year-to-Date	Roll	Estimate ⁽¹⁾	Budget
Van Andel Arena				
Operating - Revenues	\$ 7,720,280	\$ -	\$ 7,720,280	\$ 4,746,644
- Expenses - Facilities	(4,299,236)	2	(4,299,234)	(4,330,348)
- Base Management Fees	(185,295)	-	(185,295)	(183,945)
- Incentive Fee	-	(226,988)	(226,988)	-
Net Operating Income (Loss)	3,235,749	(226,986)	3,008,763	232,351
Parking	274,401	87,300	361,701	278,989
Pedestrian Safety	(66,625)	1,625	(65,000)	(65,000)
Net Proceeds (Cost) of VAA	3,443,525	(138,061)	3,305,464	446,340
DeVos Place Convention Center				
Operating - Revenues	6,284,599	-	6,284,599	4,143,265
- Expenses - Facilities	(6,689,089)	-	(6,689,089)	(5,725,206)
- Base Management Fees	(180,339)	-	(180,339)	(183,945)
- Incentive Fee	-	(144,509)	(144,509)	-
Net Operating Income (Loss)	(584,829)	(144,509)	(729,338)	(1,765,886)
Parking	1,020,952	(17,757)	1,003,195	763,011
Pedestrian Safety	(21,605)	(14,395)	(36,000)	(36,000)
Net Proceeds (Cost) of DVP	414,518	(176,661)	237,857	(1,038,875)
Other				
Revenues	10,155,878	160,032	10,315,910	273,000
Expenses	(742,282)	(168,121)	(910,403)	(910,403)
Net Other	9,413,596	(8,089)	9,405,507	(637,403)
Total Net Proceeds/Operating	13,271,639	(322,811)	12,948,828 ⁽³⁾	(1,229,938)
Capital/Repair Expenditures	(158,143)	(1,229,199)	(1,387,342)	(1,356,567) ⁽²⁾
Results Net of Capital/Repair Expenditures	\$ 13,113,496	\$ (1,552,010)	\$ 11,561,486 ⁽⁴⁾	\$ (2,586,505)

Notes:

(1) Estimates have been adjusted to actuals (unaudited).

(2) Includes an approved (9/9/21 agenda) budget amendment to provide for several capital project balances (\$86,455) carried over from FY21, an approved (2/4/22) agenda budget amendment to provide for needed capital repairs and replacements (\$300,000) and carryover CARES grant spending (Special Accounts)

(3) Includes a \$10M - Small Business Administration/Shuttered Venues Operator Grant. Excluding the SBA Grant, total Net Proceeds/Operating is estimated at \$2,948,828 and Results Net of Capital/Repair at \$1,561,486.

(4) Including the \$10,000,000 SBA Grant, the Estimated Unrestricted Fund Balance will total approximately \$ 25,358,406 at fiscal year end.

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

FY 2022 Budget

FY 2022 Eligible Projects:	Budget	Actual 7/1/21 - 6/30/22	Roll	Appropriation Lapse
Van Andel Arena®				
Cooling Tower/Condenser Coil	\$ 30,000	\$ -	\$ 30,000	\$ -
Wireless Communication Devices	45,000	-	45,000	-
Total VAA	75,000	-	75,000	-
DeVos Place®				
Lyon Street Landscape	200,000	-	200,000	-
New Sound System	225,000	41,213	183,788	-
Total DVP	425,000	41,213	383,788	-
Both Venues				
Carryover (FY20) Projects				
DVP Building Maintenance Software-HVAC	43,740	43,440	300	-
DVP Additional Furniture	30,580	30,580	-	-
VAA Security Upgrades	12,135	-	-	12,135
VAA Suite Refresher	370,112	-	370,112	-
DVP Lyon Street Landscaping	400,000	-	400,000	-
Total Carryover	856,567	74,020	770,412	12,135
Total Unrestricted Accounts	1,356,567	115,233	1,229,200	12,135
COVID-19 County Grant (Restricted Account)	48,620	42,910	-	5,710
Total FY 2021 Capital Budget	\$ 1,405,187	\$ 158,143	\$ 1,229,200	\$ 17,845

Notes: The FY2022 budget, as adopted, included \$600,000 for Lyon Street Landscape and \$370,112 for Suite Refresher.

The July monthly financial report included a request to re-appropriate a total of \$86,455 for Unrestricted Projects and \$48,620 in the County Grant account (for which \$42,910 has been spent; the remaining \$5,710 will be returned to the County).

The December financial report included a request to appropriate additional capital repair/replacement funds (\$300,000) for projects detailed above.

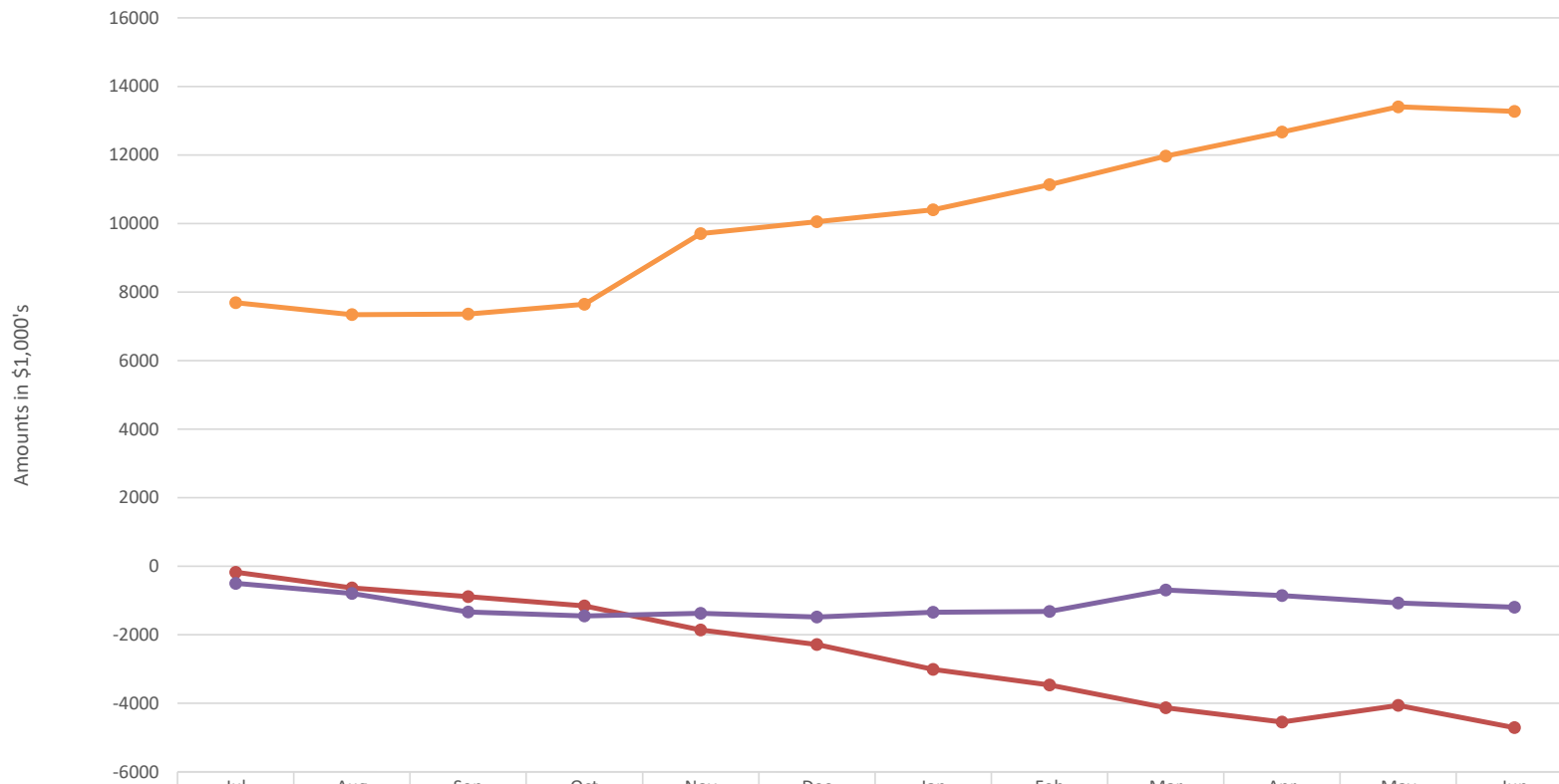
Capital projects that were originally scheduled to conclude in May & June have been deferred to FY23 due to supply issues.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2022

	Annual			Year-To-Date		
	FY 2021	FY 2022	Change	FY 2021	FY 2022	Change
	Final	Budget	Positive	7/1-6/30/21	7/1 - 6/30/22	Positive
			(Negative)			(Negative)
Van Andel Arena						
Operating - Revenues	\$ 729,644	\$ 4,746,644	550.5%	\$ 729,644	\$ 7,720,280	958.1%
- Expenses - Facilities	(2,315,851)	(4,330,348)	-87.0%	(2,315,855)	(4,299,236)	85.6%
- Base Management Fees	(180,339)	(183,945)	-2.0%	(180,339)	(185,295)	2.7%
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	(1,766,546)	232,351	113.2%	(1,766,550)	3,235,749	283.2%
Parking	263,244	278,989	6.0%	263,244	274,401	4.2%
Pedestrian Safety		(65,000)	-100.0%		(66,625)	-100.0%
Net Proceeds (Cost) of VAA	(1,503,302)	446,340	436.8%	(1,503,306)	3,443,525	329.1%
DeVos Place Convention Center						
Operating - Revenues	288,560	4,143,265	1335.8%	288,562	6,284,599	2077.9%
- Expenses - Facilities	(4,028,560)	(5,725,206)	-42.1%	(4,028,562)	(6,689,089)	66.0%
- Base Management Fees	(180,339)	(183,945)	-2.0%	(180,339)	(180,339)	0.0%
- Incentive Fee	-	-	-	-	-	0.0%
Net Operating Income (Loss)	(3,920,339)	(1,765,886)	55.0%	(3,920,339)	(584,829)	85.1%
Parking	207,772	763,011	267.2%	207,772	1,020,952	391.4%
Pedestrian Safety	(71,120)	(36,000)	-49.4%	(71,120)	(21,605)	-100.0%
Net Proceeds (Cost) of DVP	(3,783,687)	(1,038,875)	-264.2%	(3,783,687)	414,518	111.0%
Other						
Revenues	340,115	273,000	-19.7%	3,563,105	10,155,878	185.0%
Expenses	(691,010)	(910,403)	-31.7%	(1,169,281)	(742,282)	-36.5%
Net Other	(350,895)	(637,403)	-81.0%	2,393,824	9,413,596	293.2%
Total Net Proceeds/Operating	(5,637,884)	(1,229,938)	78.0%	(2,893,169)	13,271,639	558.7%
Capital/Repair Expenditures	(2,193,876)	(1,356,567)	52.0%	(4,905,151)	(158,143)	-96.8%
Results Net of Capital Expenditures	\$ (7,831,760)	\$ (2,586,505)	71.0%	\$ (7,798,320)	\$ 13,113,496	-268.2%

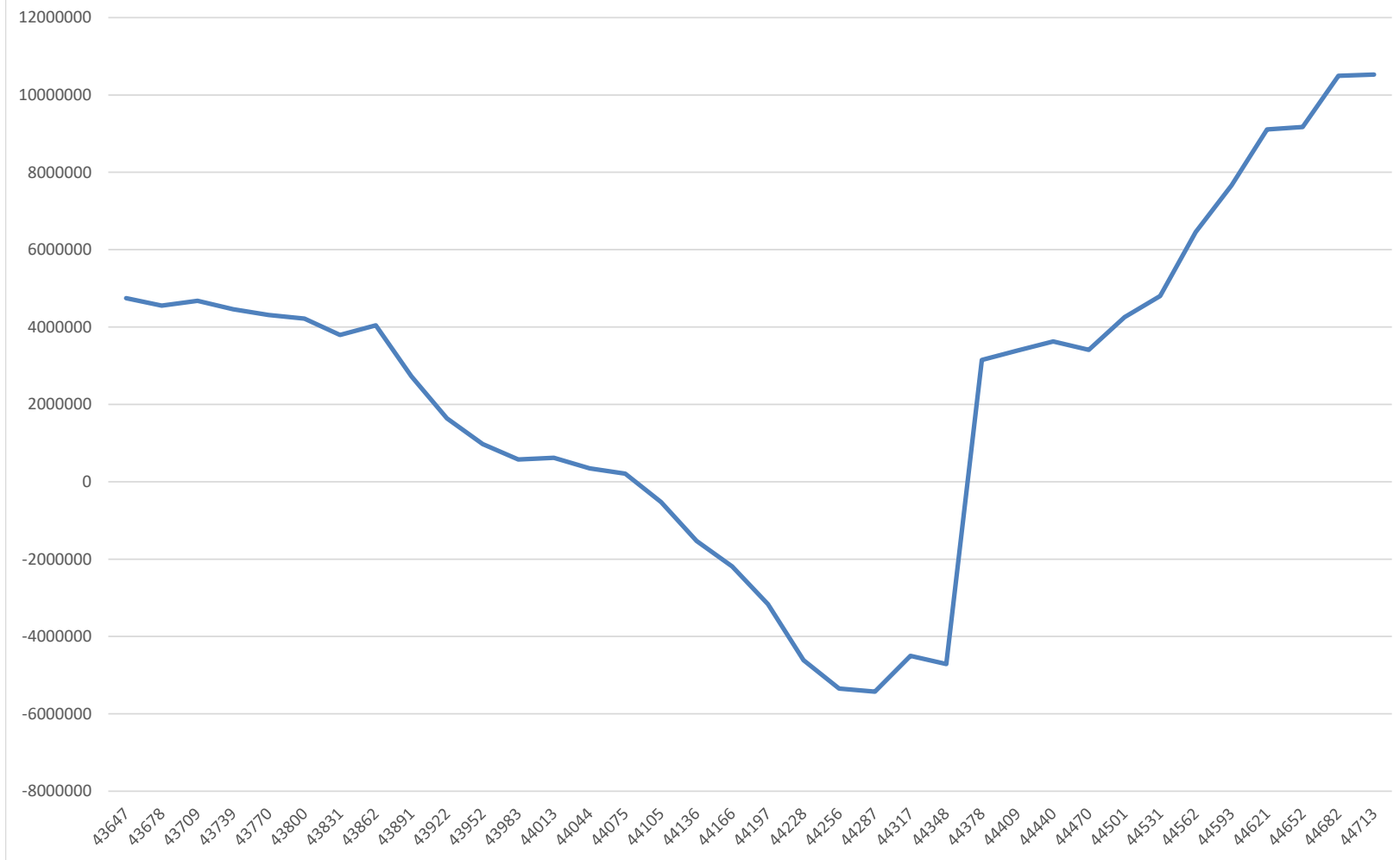
CAA Trends

Monthly Net Operating Proceeds through June 30, 2022



Accumulative Net Proceeds by Month

Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

Six concerts brought in 37,140 patrons to the facility during the month.

Monthly Net Proceeds of \$638 increased from prior year of (\$243,187).

DeVos Place®

Event activity was spread out across most categories with no one category standing out.

Capital projects that were originally scheduled to conclude in May & June have been deferred to FY23 due to supply issues.

Monthly Net Proceeds of (\$96,815) decreased from prior year Monthly Net "Proceeds" of (\$338,129).

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
June 30, 2022

	Annual			Actual		
	FY 2021	FY 2022	Change	FY 2021	FY 2022	Change
	Final	Budget	Positive	7/1/20 - 6/30/21	7/1/21 - 6/30/22	Positive
			(Negative)			(Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 210,264	\$ 215,000	2.3%	\$ 2,128,051	\$ 131,301	-93.8%
Miscellaneous	129,851	58,000	-55.3%	1,435,054	10,024,577	598.6%
	340,115	273,000	-19.7%	3,563,105	10,155,878	185.0%
Expenses						
Arena 25-Year Recognition	-	100,000	-100.0%	-	56,454	-100.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	200,000	200,000	0.0%
Diversity Initiative	3,000	100,000	-3233.3%	3,000	27,317	-100.0%
Wages/Benefits	151,848	139,000	8.5%	151,848	124,154	18.2%
Professional Services	113,906	87,000	23.6%	637,146 ⁽²⁾	142,979	77.6%
DID Assessment	32,110	64,903	-102.1%	32,110	63,806	-98.7%
Food & Beverage Repairs	-	40,000	-100.0%	-	-	-
Consulting Services	127,098	91,500 ⁽¹⁾	28.0%	87,401	33,000	62.2%
Landscaping	25,151	27,000	-7.4%	25,151	22,805	9.3%
Procurement of Art	-	25,000	-100.0%	-	25,958	-100.0%
Insurance	20,610	26,000	-26.2%	20,610	25,075	-21.7%
Supplies/Other	17,287	10,000	42.2%	12,015	20,734	-72.6%
	691,010	910,403	-31.7%	1,169,281	742,282	36.5%
Net Proceeds - Operating	<u>\$ (350,895)</u>	<u>\$ (637,403)</u>	<u>-81.7%</u>	<u>\$ 2,393,824</u>	<u>\$ 9,413,596</u>	<u>293.2%</u>

Notes:

⁽¹⁾ SMG-\$55,500 and Potomac Strategic Development - \$36,000.

⁽²⁾ Includes Accounting, Legal and Progressive AE professional services

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Federal CARES Allotment (County)
Grant Period: 10/8/20 to 12/30/20
Revenues/Expenses
June 30, 2022

	<u>Budget</u>	<u>Actual</u>
Revenues:		
County Grant	\$ 48,620	\$ 42,910
Expenses:	<u>(48,620)</u>	<u>(42,910)</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
- Time limit extension for "advertising" expenditures

Unexpended Balance, of \$30,172, returned to Kent County on 01/29/2021

Remaining unexpended balance of \$5,071 will be returned to the County before fiscal year end

Reserve balance, of \$48,620, held for remaining grant eligible activities

Deferred Revenue for Communication portion of CARES grant @ 6/30/21 totaled \$ 45,859.27

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2022**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2021 Actual
Net Revenue above Expenses	3,235,751	(584,829)	2,650,922	(5,686,855)
Benchmark++			1,050,000	1,050,000
Excess	3,235,751	(584,829)	1,600,922	(6,736,855)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	185,749	185,749	371,497	360,676
Incentive Fee				
Revenue	7,720,280	6,284,599	14,004,879	1,018,204
Benchmark Revenue	5,548,039	4,901,666	10,449,705	9,914,331
Revenue Excess	2,172,241	1,382,933	3,555,174	(9,104,314)
Incentive Fee **	226,988	144,509	371,497	-
Total SMG Management Fee	412,736	330,258	742,994	360,676

** 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.

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUN 30, 2022

UNAUDITED

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Cheri McConomy
Tony Cima
Jeffrey Wong
David Schmid
Richard MacKeigan
Chris Machuta




DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2022

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	409		409	269	140
ATTENDANCE	444,041		444,041	410,420	33,621
DIRECT EVENT INCOME	3,255,028		3,255,028	2,352,417	902,611
ANCILLARY INCOME	2,042,436		2,042,436	1,401,350	641,086
OTHER EVENT INCOME	893,168		893,168	287,498	605,670
TOTAL EVENT REVENUE	6,190,632	-	6,190,632	4,041,265	2,149,367
TOTAL OTHER REVENUE	93,967		93,967	102,000	(8,033)
TOTAL OPERATING REVENUE	6,284,599	-	6,284,599	4,143,265	2,141,334
INDIRECT EXPENSES					
EXECUTIVE	185,598		185,598	221,759	36,161
FINANCE	269,738		269,738	273,830	4,092
MARKETING	184,547		184,547	183,911	(636)
OPERATIONS	1,407,714		1,407,714	1,476,685	68,971
EVENT SERVICES	1,979,316		1,979,316	1,146,261	(833,055)
BOX OFFICE	247,138		247,138	168,624	(78,514)
SALES	410,519		410,519	485,960	75,441
OVERHEAD	2,184,858		2,184,858	1,952,121	(232,737)
TOTAL OPERATING EXP.	6,869,427	-	6,869,428	5,909,151	(960,277)
NET REVENUE ABOVE EXPENSES	(584,829)	-	(584,829)	(1,765,886)	1,181,057
INCENTIVE FEE		144,509	144,509	0	(144,509)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(584,829)	(144,509)	(729,338)	(1,765,886)	1,036,548

Comments:

DeVos Place concludes the fiscal year having exceeded overall budget by over \$1 million. While expenses finished the fiscal year above budget overall, this was due to more events hosted than expected and revenue more than offset the increase in expenses.

DocuSigned by:



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General Manager

DocuSigned by:



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Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2022

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 2021
Number of Events	37	15	0
Attendance	35,103	22,300	0
Direct Event Income	\$305,852	\$161,418	\$77,422
Ancillary Income	281,823	157,316	26,474
Other Event Income	64,755	23,280	9
Other Operating Income	8,577	8,500	24,417
Indirect Expenses	(757,822)	(579,215)	(466,451)
Net Income	(\$96,815)	(\$228,701)	(\$338,129)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	409	269	46
Attendance	444,041	390,370	2,369
Direct Event Income	\$3,255,028	\$2,288,572	\$165,239
Ancillary Income	2,042,436	1,401,353	25,111
Other Event Income	893,168	287,497	9
Other Operating Income	93,967	102,000	98,203
Indirect Expenses	(6,869,428)	(5,909,152)	(4,208,901)
Net Income	(\$584,829)	(\$1,829,730)	(\$3,920,339)

EVENT INCOME

Event income came in higher than budget due to more events hosted during the month.

ANCILLARY INCOME

Ancillary income came in well ahead of budget as spending on catering far exceeded expectations.

INDIRECT EXPENSES

Expenses came in higher than budget overall as the facility returns to pre-COVID level of spending.

DeVos Place
Income Statement
For the Fiscal Year Ended June 30, 2022

	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	\$311,221	\$156,966	\$ 154,255	\$0	\$3,462,791	\$2,324,971	\$ 1,137,820	\$76,250
Service Revenue	450,031	382,569	67,462	456,531	3,331,318	2,468,471	862,847	681,110
Service Expenses	(455,400)	(378,117)	(77,283)	(379,109)	(3,539,081)	(2,504,870)	(1,034,211)	(592,121)
Total Direct Event Income	305,852	161,418	144,434	77,422	3,255,028	2,288,572	966,456	165,239
Ancillary Income								
F&B Concession	21,569	9,704	11,865	0	285,746	159,939	125,807	18
F&B Catering	141,286	62,578	78,708	16,229	654,131	433,400	220,731	17,928
Novelty Sales	5,852	1,944	3,908	0	47,989	14,701	33,288	0
Booth Cleaning	8,889	22,112	(13,223)	10,746	275,378	209,469	65,909	10,746
Telephone/Long Distance	0	-	-	0	0	150	(150)	0
Electrical Services	18,339	29,103	(10,764)	0	258,693	232,717	25,976	1,360
Audio Visual	59,122	17,682	41,440	1,323	255,855	167,615	88,240	1,323
Internet Services	10,734	5,129	4,764	(1,824)	82,883	66,325	16,558	(21,988)
Equipment Rental	16,032	9,064	6,968	0	181,761	117,037	64,724	15,724
Total Ancillary Income	281,823	157,316	124,507	26,474	2,042,436	1,401,353	641,083	25,111
Other Event Income								
Ticket Rebates(Per Event)	64,755	23,280	41,475	9	893,168	287,497	605,671	9
Total Other Event Income	64,755	23,280	41,475	9	893,168	287,497	605,671	9
Total Event Income	652,430	342,014	310,416	103,905	6,190,632	3,977,422	2,213,210	190,359
Other Operating Income								
Luxury Box Agreements	804	2,000	(1,196)	0	4,825	24,000	(19,175)	4,650
Advertising	0	0	-	7,000	0	0	-	7,000
Other Income	7,773	6,500	1,273	17,417	89,142	78,000	11,142	86,553
Total Other Operating Income	8,577	8,500	77	24,417	93,967	102,000	(8,033)	98,203
Adjusted Gross Income	661,007	350,514	310,493	128,322	6,284,599	4,079,422	2,205,177	288,562
Operating Expenses								
Salaries and Wages	706,753	373,845	332,908	219,200	4,747,085	3,676,194	1,070,891	2,074,940
Payroll Taxes and Benefits	200,858	108,621	92,237	71,709	1,539,150	1,068,120	471,030	855,312
Labor Allocations to Events	(511,663)	(232,812)	(278,851)	(82,949)	(3,327,333)	(2,289,352)	(1,037,981)	(1,082,483)
Net Salaries and Benefits	395,948	249,654	146,294	207,960	2,958,902	2,454,962	503,940	1,847,769
Contracted Services	56,264	28,046	28,218	26,490	500,318	336,552	163,766	58,043
General and Administrative	38,213	40,398	(2,185)	1,783	373,696	399,429	(25,733)	212,291
Operations	15,713	13,613	2,100	14,754	145,432	153,351	(7,919)	79,251
Repair and Maintenance	82,721	47,100	35,621	74,423	649,463	565,199	84,264	467,729
Operational Supplies	32,285	24,675	7,610	7,132	276,500	242,100	34,400	55,122
Insurance	27,820	28,333	(513)	32,482	349,739	283,814	65,925	279,378
Utilities	93,830	132,067	(38,237)	86,399	1,435,039	1,289,800	145,239	1,028,979
SMG Management Fees	15,028	15,329	(301)	15,028	180,339	183,945	(3,606)	180,339
Total Operating Expenses	757,822	579,215	178,607	466,451	6,869,428	5,909,152	960,276	4,208,901
Net Income(Loss) From Operatic	(96,815)	(228,701)	131,886	(338,129)	(584,829)	(1,829,730)	1,244,901	(3,920,339)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(96,815)	(228,701)	131,886	(338,129)	(584,829)	(1,829,730)	1,244,901	(3,920,339)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Ten Months Ended April 30, 2022

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	98	113	76,055	101,620	1,511,042	1,964,056
Consumer/Gated Shows	47	32	135,078	128,000	1,222,581	879,592
DeVos Performance Hall	149	124	184,701	160,750	2,233,958	1,133,775
Banquets	22	-	15,670	-	340,466	-
Meetings	69	-	16,484	-	765,188	-
Other	24	-	16,053	-	117,398	-
GRAND TOTALS	409	269	444,041	390,370	6,190,632	3,977,422

As Percentage of Overall

Convention/Trade Shows	23.96%	42.01%	17.13%	26.03%	24.41%	49.38%
Consumer/Gated Shows	11.49%	11.90%	30.42%	32.79%	19.75%	22.11%
Devos Performance Hall	36.43%	46.10%	41.60%	41.18%	36.09%	28.51%
Ballroom Exclusive	5.38%	0.00%	3.53%	0.00%	5.50%	0.00%
Meetings	16.87%	0.00%	3.71%	0.00%	12.36%	0.00%
Other	5.87%	0.00%	3.62%	0.00%	1.90%	0.00%

DeVos Place
Balance Sheet
As of June 30, 2022

ASSETS

Current Assets

Cash	2,281,368
Account Receivable	921,684
Prepaid Expenses	188,001

Total Current Assets		\$3,391,053
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Total Assets		\$3,391,053
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	255,868
Accrued Expenses	588,323
Deferred Income	144,648
Advanced Ticket Sales & Deposits	1,835,876

Total Current Liabilities		\$2,824,715
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Other Liabilities

Equity

Funds Remitted to CAA	(60,500)
Funds Received by CAA	
Expenses Paid Direct by CAA	1,288,893
Beginning Balance Equity	(77,225)
Current Year Equity	(584,829)

Total Equity		\$566,339
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Total Liabilities and Equity		\$3,391,053
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2022

Current - Under 30 Days	
Food & Beverage	162,854
Ticketing	19,998
Merchandise	5,507
Decorating	8,888
Audio/Visual	59,121
Van Andel Arena	7,066
Operating	515,690
 Over 30 Days	 84,634
 Over 60 Days	 57,926
 Over 90 Days	
 Total Accounts Receivable	 921,684

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2022**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2021 Actual
Net Revenue above Expenses	3,235,751	(584,829)	2,650,922	(5,686,855)
Benchmark++			1,050,000	1,050,000
Excess	3,235,751	(584,829)	1,600,922	(6,736,855)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	185,749	185,749	371,497	360,676
Incentive Fee				
Revenue	7,720,280	6,284,599	14,004,879	1,018,204
Benchmark Revenue	5,548,039	4,901,666	10,449,705	9,914,331
Revenue Excess	2,172,241	1,382,933	3,555,174	(9,104,314)
Incentive Fee **	226,988	144,509	371,497	-
Total SMG Management Fee	412,736	330,258	742,994	360,676

** 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 FISCAL YEAR ENDED JUNE 30, 2022

UNAUDITED

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



Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Cheri McConomy
Tony Cima
Jeffrey Wong
David Schmid
Richard MacKeigan
Chris Machuta



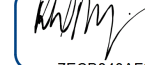
VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2022

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	109		109	78	31
ATTENDANCE	616,604		616,604	523,600	93,004
DIRECT EVENT INCOME	1,493,257		1,493,257	913,770	579,487
ANCILLARY INCOME	2,885,029		2,885,029	1,334,871	1,550,158
OTHER EVENT INCOME	1,582,590		1,582,590	593,600	988,990
TOTAL EVENT INCOME	5,960,876	-	5,960,876	2,842,241	3,118,635
TOTAL OTHER INCOME	1,759,404		1,759,404	1,904,403	(144,999)
TOTAL INCOME	7,720,280	-	7,720,280	4,746,644	2,973,636
INDIRECT EXPENSES					
EXECUTIVE	233,527		233,527	254,342	20,815
FINANCE	183,809		183,809	236,266	52,457
MARKETING	227,343		227,343	286,461	59,118
OPERATIONS	2,078,844		2,078,844	2,071,178	(7,666)
BOX OFFICE	223,111		223,111	299,012	75,901
LUXURY SEATING	-		-	-	-
SKYWALK ADMIN	20,928		20,928	51,237	30,309
OVERHEAD	1,516,967		1,516,967	1,315,797	(201,170)
TOTAL INDIRECT EXP.	4,484,529	-	4,484,529	4,514,293	29,764
NET REVENUE ABOVE EXPENSES	3,235,749	-	3,235,751	232,351	3,003,400
LESS INCENTIVE FEE		226,988	226,988	-	(226,988)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	3,235,749	(226,988)	3,008,763	232,351	2,776,412

Comments:

June concludes a very successful fiscal year as the facility returned to full operation. Concert revenue came in well ahead of expectations throughout the fiscal year, coupled with expense savings seen in the first half of the fiscal year led to revenue above expenses in excess of \$3 million.

DocuSigned by:



75CB840AE90E405

General Manager

DocuSigned by:



10BEBDD852E245A

Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2022**

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 2021
Number of Events	7	2	-
Attendance	37,140	16,000	-
Direct Event Income	\$108,154	\$70,000	(\$68,837)
Ancillary Income	187,753	45,900	33,896
Other Event Income	116,136	56,000	441
Other Operating Income	177,187	210,717	98,017
Indirect Expenses	(588,592)	(401,107)	(306,704)
Net Income	\$638	(\$18,490)	(\$243,187)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	109	76	22
Attendance	616,064	507,600	9,523
Direct Event Income	\$1,493,257	\$913,770	\$92,336
Ancillary Income	2,885,029	1,334,871	54,587
Other Event Income	1,582,590	593,600	1,541
Other Operating Income	1,759,404	1,904,403	581,180
Indirect Expenses	(4,484,531)	(4,514,293)	(2,496,194)
Net Income	\$3,235,749	\$232,351	(\$1,766,550)

EVENT INCOME

Event income came in higher than budget due to more events hosted than originally planned.

ANCILLARY INCOME

Ancillary income came in higher than expected due to more events hosted. Per cap spending on merchandise and concessions continue to trend well ahead of pre-COVID levels.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month as some cleaning projects were done during the slower period. Overall expenses for the fiscal year remained consistent with budget.

Van Andel Arena
Income Statement
For Fiscal Year Ended June 30, 2022

	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	\$ 51,058	\$ 82,000	\$ (30,942)	\$ -	\$ 2,721,932	\$ 1,715,970	\$ 1,005,962	\$ 334,996
Service Revenue	531,458	120,000	411,458	176,580	3,753,251	1,382,800	2,370,451	302,736
Service Expenses	(474,362)	(132,000)	(342,362)	(245,417)	(4,981,926)	(2,185,000)	(2,796,926)	(545,396)
Total Direct Event Income	108,154	70,000	38,154	(68,837)	1,493,257	913,770	579,487	92,336
Ancillary Income								
F&B Concession	152,016	34,980	117,036	-	2,455,960	1,174,967	1,280,993	-
F&B Catering	9,739	4,680	5,059	12,755	186,764	101,806	84,958	12,755
Novelty Sales	25,937	6,240	19,697	-	238,357	58,098	180,259	-
Booth Cleaning	61	-	61	821	353	-	353	1,482
Audio Visual	-	-	-	20,320	95	-	95	20,320
Other Ancillary	-	-	-	-	3,500	-	3,500	20,030
Total Ancillary Income	187,753	45,900	141,853	33,896	2,885,029	1,334,871	1,550,158	54,587
Other Event Income								
Ticket Rebates(Per Event)	116,136	56,000	60,136	441	1,582,590	593,600	988,990	1,541
Total Other Event Income	116,136	56,000	60,136	441	1,582,590	593,600	988,990	1,541
Total Event Income	412,043	171,900	240,143	(34,500)	5,960,876	2,842,241	3,118,635	148,464
Other Operating Income								
Luxury Box Agreements	115,905	147,717	(31,812)	-	1,335,149	1,337,403	(2,254)	293,980
Advertising	38,000	54,000	(16,000)	37,459	342,000	486,000	(144,000)	181,924
Other Income	23,282	9,000	14,282	60,558	82,255	81,000	1,255	105,276
Total Other Operating Income	177,187	210,717	(33,530)	98,017	1,759,404	1,904,403	(144,999)	581,180
Adjusted Gross Income	589,230	382,617	206,613	63,517	7,720,280	4,746,644	2,973,636	729,644
Operating Expenses								
Salaries and Wages	433,942	204,278	229,664	117,795	2,539,687	2,102,048	437,639	805,413
Payroll Taxes and Benefits	100,411	59,938	40,473	26,242	832,592	649,439	183,153	334,971
Labor Allocations to Events	(185,008)	(87,885)	(97,123)	-	(1,526,003)	(790,968)	(735,035)	(108,939)
Net Salaries and Benefits	349,345	176,331	173,014	144,037	1,846,276	1,960,519	(114,243)	1,031,445
Contracted Services	40,090	28,046	12,044	6,919	323,177	334,752	(11,575)	53,293
General and Administrative	30,102	34,289	(4,187)	38,403	376,937	377,083	(146)	283,705
Operations	4,990	7,899	(2,909)	640	59,785	92,784	(32,999)	17,364
Repair and Maintenance	47,557	30,875	16,682	33,015	366,913	370,500	(3,587)	167,792
Operational Supplies	14,727	21,558	(6,831)	1,728	214,089	240,700	(26,611)	48,619
Insurance	21,001	17,072	3,929	23,360	317,969	186,760	131,209	176,220
Utilities	65,751	69,708	(3,957)	43,574	794,090	767,250	26,840	537,417
SMG Management Fees	15,029	15,329	(300)	15,028	185,295	183,945	1,350	180,339
Total Operating Expenses	588,592	401,107	187,485	306,704	4,484,531	4,514,293	(29,762)	2,496,194
Net Income(Loss) From Operations	638	(18,490)	19,128	(243,187)	3,235,749	232,351	3,003,398	(1,766,550)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	638	(18,490)	19,128	(243,187)	3,235,749	232,351	3,003,398	(1,766,550)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Fiscal Year Ended June 30, 2022

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	8	8	41,177	45,000	215,942	187,464
Sporting Event	21	6	88,293	38,000	1,327,736	367,137
Concert	35	17	256,581	138,000	3,711,810	1,421,164
Team Home Games	38	38	193,687	235,600	332,592	555,066
Other	7	7	36,866	51,000	372,795	139,510
GRAND TOTALS	109	76	616,604	507,600	5,960,876	2,670,341

As Percentage of Overall

Family Show	7.34%	10.53%	6.68%	8.87%	3.62%	7.02%
Sporting Event	19.27%	7.89%	14.32%	7.49%	22.27%	13.75%
Concert	32.11%	22.37%	41.61%	27.19%	62.27%	53.22%
Team Home Games	34.86%	50.00%	31.41%	46.41%	5.58%	20.79%
Other	6.42%	9.21%	5.98%	10.05%	6.25%	5.22%

Van Andel Arena
Balance Sheet
As of June 30, 2022

ASSETS

Current Assets

Cash	14,193,277
Account Receivable	693,305
Prepaid Expenses	70,523

Total Current Assets	\$14,957,105	
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Total Assets	\$14,957,105	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	2,444,604
Accrued Expenses	340,043
Deferred Income	2,119,222
Advanced Ticket Sales & Deposits	6,429,085

Total Current Liabilities	\$11,332,954	
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Other Liabilities

Equity

Funds Remitted to CAA	-
Funds Received by CAA	-
Expenses Paid Direct by CAA	750,078
Beginning Balance Equity	(361,676)
Current Year Equity	3,235,749

Total Equity	\$3,624,151	
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Total Liabilities and Equity	\$14,957,105	
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2022

Current - Under 30 Days	
Food & Beverage	314,489
Ticketing	-
Merchandise	110,840
Permanent Advertising	-
DeVos Place	(6,762)
Operating	243,654
 Over 30 Days	 31,084
 Over 60 Days	
 Over 90 Days	
 Total Accounts Receivable	 693,305

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2022**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2021 Actual
Net Revenue above Expenses	3,235,751	(584,829)	2,650,922	(5,686,855)
Benchmark++			1,050,000	1,050,000
Excess	3,235,751	(584,829)	1,600,922	(6,736,855)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	185,749	185,749	371,497	360,676
Incentive Fee				
Revenue	7,720,280	6,284,599	14,004,879	1,018,204
Benchmark Revenue	5,548,039	4,901,666	10,449,705	9,914,331
Revenue Excess	2,172,241	1,382,933	3,555,174	(9,104,314)
Incentive Fee **	226,988	144,509	371,497	-
Total SMG Management Fee	412,736	330,258	742,994	360,676

** 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.

Memorandum

To: Jay Preston, Finance Committee Chairperson
CAA Board

From: Cheri McConomy

Subject: Auto Parking System Periodic Reporting

Date: August 5, 2022

The previously (6/5/20) adopted “Parking Operation Agreement” requires the City-Auto Parking System to provide a quarterly report regarding City/County utilization of discounted DeVos Place® monthly parking passes. The content of this 4th quarter (FY22) periodic report includes the following information:

A) “... the number of current City and County passes outstanding ...”

The City currently holds 116 monthly passes.
The County currently holds 170 monthly passes.

B) “... the increase and/or decrease in such City and County passes since the prior report ...”

The City neither increased nor decreased the number of passes out between 4/1/22 and 6/30/22.
The County decreased the number of passes out by 1 between 4/1/22 and 6/30/22.

C) “... a calculation of the difference between the then current market rate for monthly passes for the Parking Spaces and the then current rate for monthly passes by the City and County.”

The current (public) monthly pass rate is \$154, while the discounted City/County rate is \$49.82.
The City currently holds 116 passes with a total annualized discount of \$145,019.
The County currently holds 170 passes with a total annualized discount of \$212,527.

Attached with this correspondence is a copy of the quarterly report from City-Auto Parking System.

Cc: Richard MacKeigan

Account	Previous End of Quarter Space Count Q3 FY22	Total Spaces End of Q4 FY22	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	25	26	1	\$2,708.68	\$104.18
KC Facilities Management	146	144	-2	\$15,001.92	(\$208.36)
City of GR	116	116	0	\$12,084.88	\$0.00
Total	287	286	-1	\$29,795.48	(\$104.18)

*Current Market Rate is \$154 monthly, City/County Contractual Rate is \$49.82 monthly, effective 7/1/2021.

Memorandum

To: CAA Board Members
From: Susan Waddell, Administrative Manager
Date: August 5, 2022
Re: Directors' & Officers' Insurance Renewal

The CAA current insurance policy will expire on August 23, 2022, and we just received the renewal coverage proposal. Below is a summary of the renewal proposal:

Insurer: Michigan Municipal Risk Management Authority (MMRMA)

2020-21 Expiring premium: \$18,275

2021-22 Renewal premium: \$18,093

Total Change -\$ 182

% Change (+ -) -1.0%

<u>Summary of Various Coverages</u>	<u>Limit</u>	<u>Deductible</u>
Liability	\$15,000,000	\$0
Terrorism Liability	\$5,000,000	\$0
Faithful Performance	Per Statute	\$0
Auto Liability - No-Fault	Per Statute	\$0
Terrorism Property & Crime	\$50,000,000	\$0
Member's Newly Acquired/ Constructed Property	\$10,000,000	\$0
Buildings & Personal Property	\$1,010,070	\$0
Fine Art	\$2,000,000	\$0
Blanket Employee Fidelity	\$1,000,000	\$0

The attached Comparison sheet lists the net asset and loss funds distributions to the CAA since 2006. This year's Net Asset Distribution of \$4,684, along with an additional \$999 from the State Pool Loss Fund Distribution, equates to a total distribution of \$5,683 to be received after this renewal is processed.

Action Requested: Approve MMRMA insurance renewal proposal.

Community:
Renewal period:

Grand Rapids-Kent Co CAA
August 23, 2022 to August 23, 2023

Reasons for Premium Change

	2021	2022	% Change
Ratable Expenditures:			
Full Time	1	1	0.0%
Part Time	1	1	0.0%
Sesonal PT	0	0	0.0%
Property Values:	\$10,000	\$10,000	0.0%
Vehicles:	2	2	0.0%
Coverages	No Sewer Backup		
	\$15M Pool w/ \$1,000 Property deductible		
Other:	2021-22: 0.4%		
	2020-21: 3.1%		
	2019-20: 1.7%		
	2018-19: 0.5%		
	2017-18: -3.0%		
	2016-17: -4.6%		
	2015-16: -3.8%		
	2014-15: -4.6		
	2013-14: -7-3%		

	<u>Total Contribution</u>	<u>Property Totals</u>
Last Year	\$18,275	\$10,000
This Year	\$18,093	\$10,000
Total Change	-\$182	\$0
% Change (+ -)	-1.0%	0.0%

Notes:

NO RAP Grant:

	Net Asset Distribution	Loss Fund Distribution	Total	
2006 MMRMA Distribution:	\$0		\$0	
2007 MMRMA Distribution:	\$0		\$0	
2008 MMRMA Distribution:	\$223		\$223	
2010 MMRMA Distribution:	\$474		\$474	
2011 MMRMA Distribution:	\$2,558		\$2,558	
2012 MMRMA Distribution:	\$4,816		\$4,816	
2013 MMRMA Distribution:	\$1,958		\$1,958	KD
2014 MMRMA Distribution:	\$5,577		\$5,577	KD
2015 MMRMA Distribution:	\$6,760	\$2,606	\$9,366	KE
2016 MMRMA Distribution:	\$4,257	\$1,254	\$5,511	KE
2017 MMRMA Distribution:	\$2,405	\$1,419	\$3,824	MR
2018 MMRMA Distribution:	\$4,422	\$2,125	\$6,547	KE
2019 MMRMA Distribution:	\$3,879	\$2,157	\$6,036	MR
2020 MMRMA Distribution:	\$4,784	\$1,463	\$6,247	LZ
2021 MMRMA Distribution:	\$3,187	\$1,039	\$4,226	MR
2022 MMRMA Distribution:	\$4,684	\$999	\$5,683	MR
	\$49,984	\$13,062	\$63,046	

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
MEMORANDUM OF UNDERSTANDING WITH GRAND ACTION
FOUNDATION 2.0 RELATED TO THE AMPHITHEATER PROJECT AND
OTHER MATTERS RELATED THERETO**

Boardmember _____, supported by Boardmember _____, moved
the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) was created for the purpose, in part, for development and operation of, entertainment facilities including a public outdoor amphitheater; and

WHEREAS, for the past three years the CAA has worked together with Grand Action Foundation 2.0 (“GA2.0”), the City of Grand Rapid (the “City”) and others toward the development, funding and construction of a public outdoor amphitheater to be located at or in the vicinity of 201 Market Avenue in the City (the “Amphitheater”); and

WHEREAS, the CAA and GA2.0 have agreed to the terms of a Memorandum of Understanding (the “MOU”) related to the development, funding, construction, ownership and operation of the Amphitheater.

RESOLVED:

1. That the MOU in the form presented at this meeting is approved with such modifications not materially adverse to the CAA approved as to content by the CAA Executive Director and as to form by CAA legal counsel and the CAA Executive Director is authorized and directed to execute the approved MOU.

2. That acceptance of assignment from GA2.0 and assumption of the agreements referenced in paragraph 7 of the MOU, the execution of the original agreements referenced in paragraph 7 of the MOU, the execution of the construction agreements referenced in paragraph 8 of the MOU, and the execution of those documents referenced or required pursuant to the provisions of paragraph 9 of the MOU after approval as to content by the CAA Executive Director and as to form by the CAA legal counsel is approved and the CAA Executive Director is authorized and directed to sign such approved assignments, agreements and documents.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: August 5, 2022

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on August 5, 2022, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: August 5, 2022

Susan M. Waddell
Administrative Manager/Recording Secretary

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the “MOU”) is entered into on _____, 2022 (the “Effective Date”), between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY** (the “CAA”) and the **GRAND ACTION FOUNDATION 2.0** (“GA2.0”).

RECITALS

A. The CAA is an authority created by the City of Grand Rapids (the “City”) and the County of Kent (the “County”) pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, for development and operation of certain facilities including entertainment facilities including a public outdoor amphitheater.

B. GA2.0 is a Michigan nonprofit corporation formed for civic purposes including gaining private and public support for public facilities including a public outdoor amphitheater.

C. For the past three years the CAA and GA2.0 have worked together with the City and others toward the development, funding and construction of a public outdoor amphitheater to be located at, or in the vicinity of, 201 Market Avenue in the City (the “Amphitheater”).

D. The CAA and GA2.0 have entered into this MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Amphitheater.

UNDERSTANDING

1. Amphitheater Development, Construction, Ownership and Operation. Subject to the terms and conditions of this MOU, the CAA shall develop, construct, own and operate the Amphitheater in accordance with the CAA’s Articles of Organization and Operating Agreement both dated March 29, 2000, as amended by Addendum I to Operating Agreement dated March 30, 2022.

2. Continuing Support of GA2.0. GA2.0 shall continue its relationship with the CAA by providing ongoing support in the development and construction of the Amphitheater through advice, oversight and direction to the CAA.

3. Funding of Amphitheater. GA2.0 will, in concert with the CAA, use its best efforts to organize and conduct a fund raising campaign to obtain funds from private and other sources to help develop and construct the Amphitheater.

4. Deposit and Use of Private Funds. All funds raised by GA2.0 in a private fund raising campaign shall be held by GA2.0 in a separate account and used in the development and construction of the Amphitheater in accordance with a process mutually agreed to by GA2.0 and the CAA which shall include the contribution of philanthropic donations last.

5. Donor Recognition Policy. GA2.0 shall establish or cause to established a donor recognition policy which shall be mutually agreed by the CAA and GA2.0 and which includes the rights to name the Amphitheater and its areas and components.

6. Amphitheater Work-Product. GA2.0 will provide, and where required assign, to the CAA all existing design, budgeting and research work related to the development and construction of the Amphitheater.

7. Contracts and Agreements. GA2.0 will assign and the CAA will accept and assume all currently existing and future agreements and contracts related to the development, funding and construction of the Amphitheater, including the substitution of the CAA for GA2.0 with respect to the benefits, rights and obligations under such agreements and contracts or the CAA may sign such original agreements directly with the contract providers. Each such agreement shall be subject to its approval by the CAA as to content and form and such agreements shall include, but not be limited to:

- a. a donor recognition agreements;
- b. a donor benefits agreements;
- c. an architect contract with Rossetti, Inc;
- d. an owner's representative agreement with PMA Consultants LLC;
- e. an engineering services agreement with Progressive AE; and
- f. a construction management agreement.

8. Amphitheater Construction Agreement. The CAA will solicit proposals or cause the solicitation of proposals for the construction of the Amphitheater after consultation with GA2.0. The CAA will execute or cause the execution of all agreements and related documents in connection with the construction of the Amphitheater subject to its approval as to content and form.

9. Financing of Amphitheater. The CAA and GA2.0 agree and understand that in connection with the long-term financing of a portion of the Amphitheater development and construction the issuance of municipal bonds may be necessary and, while such bonds are outstanding, the City or the City of Grand Rapids Building Authority may be required to have an interest in the Amphitheater and in connection therewith the CAA may need to convey such interest and assign or further assign the agreements referenced in paragraph 7 hereof upon the CAA's approval of such documents to content and form.

10. Design/Building Committee. Upon execution of this MOU, a Design/Building Committee shall be selected by the CAA and GA2.0 and comprised of representatives of the CAA, GA2.0, the City and County. The Design/Building Committee shall meet at least quarterly to assist in design and building of the Amphitheater along with the completion of the provisions of this MOU. The Design/Building Committee will develop the timetable for construction of the Amphitheater

11. Representations and Warranties. The CAA and GA2.0 hereby each represent, warrant and covenant that: (i) it shall comply with all applicable federal, state and local laws, rules and regulations in carrying out its obligations hereunder; (ii) it has the power and authority to

execute and deliver this MOU and to perform its obligations hereunder, and the execution, delivery and performance of this MOU has been duly and validly authorized and approved; (iii) the execution, delivery and performance by each in accordance with the terms herein of this MOU (1) does not and will not constitute a violation or a breach of, or constitute a default under (x) its organizational documents, (y) any applicable law, or (z) any material agreements to which it is a party; (iv) there are no claims, demands, actions or proceedings pending, or to its knowledge, threatened against it that could either individually or in the aggregate reasonably be expected to have a material adverse effect on its ability to perform its obligations hereunder; (v) each is duly formed, validly existing and in good standing under the laws of the State of Michigan, with full power and authority to conduct its business as presently conducted; (vi) this MOU has been duly executed and delivered by each; and (vii) the execution, delivery and performance of this MOU by each does not require approval by any person except as provided herein with respect to certain third party approvals.

12. Relationship of Parties. It is mutually understood and agreed that the CAA and GA2.0 and their respective employees and agents are at all times acting and performing separately and independently of each other and shall in no way or manner represent themselves as agents or employees of the other party. As such, no party shall incur any expenses nor create any liens, encumbrances or legal obligations in the other party's name or against the other party's interests except as contemplated by this MOU. This MOU shall not create a joint venture, partnership, or relationship of principal and agent or employer and employee between the CAA and GA2.0, except as contemplated by this MOU.

IN WITNESS WHEREOF, the CAA and GA2.0 have caused this MOU to be duly executed by their authorized representatives as of the Effective Date.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

By: _____
Richard MacKeigan
Executive Director

GRAND ACTION FOUNDATION 2.0

By: _____
Thomas G. Welch, Jr.
Co-Chair and Treasurer

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION APPROVING TERM SHEET AND AUTHORIZING
PREPARATION AND EXECUTION OF A USE AGREEMENT WITH SSJ
GROUP, LLC**

Boardmember _____, supported by Boardmember _____, moved
the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) has ownership control over the Van Andel Arena (the “Arena”); and

WHEREAS, the CAA has an agreement with SMG for operation and management of the Arena; and

WHEREAS, SSJ Group, LLC (“SSJ”) owns a G League basketball team (the “Team”); and

WHEREAS, the CAA and SSJ have agreed in accordance with the provisions of a term sheet (the “Term Sheet”) to enter into an agreement for use of the Arena by the Team for basketball games and related events.

RESOLVED:

1. That the Term Sheet presented at this meeting is approved.
2. That SMG is authorized and directed to prepare a use agreement (the “Agreement”) consistent with provisions of the Term Sheet along with other normal and customary provisions approved as to content by the CAA Executive Director and as to form by CAA legal counsel.
3. That the CAA Executive Director is authorized to execute the approved Agreement for and on behalf of the CAA.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: August 5, 2022

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on August 5, 2022, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: August 5, 2022

Susan M. Waddell
Administrative Manager/Recording Secretary

**TERM SHEET BETWEEN SMG AND SSJ GROUP, LLC
RELATED TO USE OF THE VAN ANDEL ARENA BY SSJ
GROUP, LLC**

1. The Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) has leased the Van Andel Arena (“Arena”) from the City of Grand Rapids Downtown Development Authority (the “DDA”) which lease will remain in effect until certain outstanding tax exempt bonds have been paid in full after which the CAA will become the owner of the Arena.
2. The CAA has a management agreement with SMG for operation and management of the Arena.
3. SSJ Group, LLC (“SSJ”) owns a G League basketball team (the “Team”), a franchise of the National Basketball Association G League (the “G League”).
4. The CAA or SMG, on behalf of the CAA, after approved by the CAA Board, will enter into an agreement (the “Agreement”) for use of the Arena by the Team for basketball games and related events which Agreement will contain the following provisions:
 - a. Term of Agreement. The CAA will make available the Arena to SSJ and SSJ will use the Arena from the CAA on terms and subject to conditions contained in this Term Sheet and the Agreement, to be prepared in accordance with the provisions of this Term Sheet, for a two-year period, beginning October 1, 2022, and ending April 30, 2024, with an option to be exercised by SSJ by February 1, 2024, to extend the term for an additional three years, unless sooner terminated as provided in the Agreement.
 - b. Use of Arena. SSJ may use and occupy the Arena at the times and upon terms and conditions provided in the Agreement for:
 - i. playing home games including pre-game, half-time and post-game shows in connection with the playing of home games;
 - ii. practice sessions at times mutually agreed to by the CAA and SSJ, subject to availability of the Arena (SSJ shall pay all reasonable actual out-of-pocket costs incurred by the CAA related to such practice sessions);
 - iii. the retail sale of basketball merchandise at defined fixed and portable sales booths in the Arena concourse;
 - iv. the locker room facilities at the Arena beginning at 7:00 a.m. before each home game and ending one (1) hour after each home game, including the visiting team locker room and dressing room for game officials (the CAA will also provide and maintain industrial strength laundry facilities which SSJ may use in connection with the use of the Arena);

v. such other uses as are mutually agreed to by the CAA and SSJ including uses incidental to any of the forgoing uses;

vi. internal storage space of collectively not to exceed nine-hundred (900) square feet at mutually agreeable locations; and

vii. on mutually available dates and time, for (x) patron seat selection events, (y) tours for current or potential partners, and (z) marketing and promotional photography and videography.

c. Exclusive Rights and Obligations. During the term of the Agreement, SSJ will have the exclusive right to play professional basketball in the Arena excluding National Basketball Association games and entertainment attractions such as the Globetrotters. SSJ shall have the obligation to play all of its home exhibition games, home season games and home playoff games in the Arena.

d. Basketball Facilities. The CAA will provide at least 10,000 spectator seats or such lesser number as shall be agreed by the CAA and SSJ in the Arena bowl for home games. The CAA will provide the basketball floor, portable baskets reasonably acceptable to SSJ, required clocks and scoreboards and other equipment and facilities necessary to conduct professional basketball games that meet G League standards, as such standards exist from time to time, *provided, however*, SSJ will share equally with the CAA the cost of all upgrades, improvements and modifications required by the G League or another basketball league for which the Team may become affiliated. The CAA will provide the basketball floor. SSJ will be responsible for any expenses related to the floor as it relates to the preferred paint colors with proper sealing.

e. Scheduling of Game Dates. For each basketball season commencing with the 2022/2023 season, the CAA and SSJ will confer on or before February 10 of each calendar year during the term of the Agreement for the purpose of reserving dates for Team home basketball games for the immediately following season including potential playoff games at the end of the season, *provided, however*, SMG has provided game dates for the 2022/2023 season. The parties will develop a mutually agreed upon booking protocol to be in effect for the seasons beyond the 2022/2023 season.

f. Rent and Expenses. During the 2022-2023 season, SSJ will pay the CAA \$17,000 per home game (preseason, regular season or playoff), *provided*, SSJ shall receive one complementary rent-free regular season game, *however*, SSJ shall not be entitled to receive any share of the ticket facility fee or revenue from concession sales related to such game. Except as otherwise provided in the Agreement, this amount represents the total home game cost to SSJ including use of the Arena and utilities, service personnel including ushers, ticket takers, security, set-up, custodial, video board staff, stage hands, first aid and traffic control for the time one hour before the starting time of a home game until such reasonable time after the home game as is customary to clear the Arena of patrons, *provided, however*, any additional service personnel required by SSJ for VIP guests and areas, confetti clean-up or specially requested personnel will be separately billed to and paid by SSJ. The per home game amount will be adjusted

annually during the term of the Agreement beginning with the 2023-2024 season. Such adjustment shall be made in accordance with any increase since the previous November in the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor (CPI-U), all items index for all urban consumers – U.S. city average (182-84=100) or any successor index. Such adjustment will be made effective July 1 of each year.

g. Settlement. A full accounting of revenue and expenses shall be completed for each home game by the CAA in a mutually agreeable format and settlement shall be completed within two weeks of each home game for such home game. For purposes of settlement, home game revenues shall include monies collected by the CAA for advance ticket sales sold at the box office and by a third party ticketing system, 50% of the facility fee, \$1.00 per ticket sold through a third party ticketing system and SSJ's 25% share of CAA concession revenues during home games. For purposes of settlement, expenses shall consist of the usage fee, the cost of additional labor and equipment outside the ordinary and normal costs included as part of the usage fee, 50% of the \$3.50 per ticket sold facility fee and a 3.5% credit card fee for all tickets purchased by credit card. On the settlement date for each home game, the settlement amount will be paid to the appropriate party.

h. Services and Utilities. The CAA will provide, at its expense, not subject to reimbursement, except as specifically provided elsewhere in this Term Sheet, the following:

- i. heating, ventilation and air conditioning maintained at temperatures for comfortable use of each portion of the Arena used by SSJ beginning at least one hour before the start time of each home game until such reasonable time after each home game as is customary to clear the Arena of patrons;
- ii. automatic passenger and freight elevators to each floor of the Arena at least one hour before the start time of each home game until such reasonable time after each home game as is customary to clear the Arena of patrons;
- iii. first class janitorial service;
- iv. hot and cold water sufficient for drinking, lavatory, toilet and ordinary cleaning purposes to be drawn from fixtures in the Arena;
- v. electricity to the Arena at least one hour before the start time of each home game until such reasonable time after each home game as is customary to clear Arena of patrons;
- vi. replacement of lighting tubes, lamp ballasts and bulbs;
- vii. extermination and pest control;

viii. security services sufficient to maintain the Arena in a safe and orderly manner;

ix. repair and maintenance service of the Arena including the foundation, exterior walls, roof, floor, plumbing, electrical wiring, sewer and other systems serving the Arena in order to keep the same in first class condition and repair at all times;

x. snow removal and de-icing; and

xi. telephone hook-up facilities.

i. Event Personnel. The following will be provided:

i. the CAA will supply, at its expense, not subject to reimbursement under the Agreement except as otherwise provided in this Term Sheet, ushers, ticket sellers, ticket takers, security agents, maintenance staff (including staff to install and maintain the basketball floor), first aid personnel, a scoreboard operator and a message board operator.

ii. SSJ will supply, at its sole expense, public address announcers, statisticians, play-by-play typists and game timers in addition to basketball specific personnel necessary to conduct home games, such as referees.

j. Employee Appearance and Conduct. Each person employed by or on behalf of the CAA, SMG or SSJ to provide services or perform duties in the Arena during home games shall maintain a neat and clean appearance and conduct himself/herself in a professional manner.

k. Staffing Levels. Staffing for home games will be based on attendance projections supplied by SSJ and SMG's determination of staffing necessary to create an atmosphere and standard of quality similar to that found in other first class arenas and to ensure safe and proper presentation of home games including reasonable flow of people entering and exiting the Arena and reasonable service time for concession sales. SSJ may from time to time request additional personnel in excess of such levels, the cost of which SSJ shall reimburse the CAA.

l. Concessions. The CAA will select the concessionaire for the Arena who has the exclusive right to sell concessions at all home games. SSJ will be entitled to receive 25% of the revenues the CAA receives for each concession category as follows:

	<u>CAA Receives</u>	<u>SSJ Receives</u>
General Concession	53%	13.25%
Catering and Suite Service	19.5%	4.875%
Restaurant/Bar	30%	7.5%

m. Basketball Team Merchandise and Novelty Items. SSJ will have the sole exclusive right to market and sell all Team and other basketball related merchandise, game programs and all other novelty items at home games. SSJ will retain all revenues and bear all expenses of such sales. Each person employed to provide merchandising services at home games shall maintain a neat, clean appearance and shall conduct himself/herself in a professional manner.

n. Temporary Signage and Advertising. SSJ will have the right to sell advertising and sponsor signage during the home games bearing all expenses and retaining all revenues from such sales for:

- i. on court advertising including basketball standards and scorers table;
- ii. on sports equipment, including balls, ball racks and uniforms;
- iii. advertising over the public address system;
- iv. signage around the basketball court playing surface set up exclusively for home games;
- v. electric messages on scoreboard, video board, LED screens or other message boards, except when they are used for Arena permanent advertising inventory packages as well as promotion of upcoming Arena events; and
- vi. on temporary banners that will not cover permanent advertising at locations mutually agreed to by the CAA and SSJ.

o. Permanent Advertising. It is understood that the CAA has existing relationships with permanent advertisers and sponsors for signage at the Arena and that SSJ will receive no compensation for such advertising. No such permanent advertising (as herein defined) will be located in areas allocated to temporary SSJ advertising unless separately negotiated and approved by SMG. The CAA will receive 100% of such advertising revenue and will bear 100% of the cost of fulfilling such advertising and sponsorship requirements. "Permanent advertising" means advertising that is affixed to the Arena for all events including the advertising attached to the walls in the concourse area of the Arena, advertising above the entrance of the Arena and nonelectric advertising on the scoreboard and the signs outside the Arena.

p. Suites. The CAA makes available forty-one suites on an annual basis. Each suite user has an exclusive use of its suite, *provided, however*, SSJ will set ticket prices for the suites for all home games and retain all revenues therefrom, less any applicable expenses. Each person occupying a suite will be required to have a ticket for the suite or to the home game and be invited to the suite by a suite ticketed patron. The CAA may elect to retain a suite for its own use for all home games and if it does so, SSJ shall issue complementary tickets equal to the number of seats in the suite for each home game (i.e. preseason, regular season, playoffs). If a suite is not committed to a user on an annual basis, the CAA shall notify SSJ that the suite is available on per home game basis upon payment of the suite fee established by the CAA.

q. Premium and Complimentary Seating. The CAA will maintain and control certain Arena premium seats (the “APS”). These seats give the holders the right of first refusal for all events held at the Arena including all home games. Before each season during the term of the Agreement, APS seat holders will be given the opportunity to purchase Team season tickets for their APS. If they do not elect to purchase season tickets, the APS seat holders will relinquish their preferred right to use their APS for home games. SSJ will provide the CAA with 10 complementary season tickets for each season during the term of the Agreement at a mutually agreeable location in the Arena bowl.

r. Ticket Administration.

i. Prices and Location. SSJ will have the right to determine the purchase price for admission of all seats in the Arena bowl for home games. SSJ will have the right to control the seating arrangements in the Arena during home games, subject to the CAA’s reasonable approval. All persons attending home games shall have been issued a ticket and in no case shall SSJ issue a number of tickets that exceed defined capacity of the Arena bowl.

ii. Game Day and Advance Ticket Sales. The Arena box office will be open to the public to purchase home game tickets at least three hours prior to the start of each home game. A SMG managed facility will be open to the public to purchase home game tickets on nongame days, Monday through Friday, during posted hours. Advance ticket sales will be retained by the CAA in escrow until the game for which the tickets were issued is played. Revenue from such tickets will be included in the home game settlement less applicable fees.

iii. Season, Corporate and Group Sales. SSJ will have sole responsibility for season, corporate and group ticket sales for home games and shall bear all costs associated with such sales.

iv. Facility Fees. A \$3.50 facility fee will be paid on all tickets sold. SSJ will receive 50% of the facility fee at settlement. Any change in the facility fee shall be mutually agreed to by the CAA and SSJ.

v. Credit Card Fees. All tickets purchased through the Arena box office or third party ticketing system with a credit card shall be subject to a fee equal to 3.5% of the total ticket price.

s. Broadcasting and Recording. SSJ will have the exclusive right to broadcast or disseminate by radio, television, cable or other method of transmission or recording, audio or video reports of any of the Team home games from the Arena. All revenues or other income received by SSJ from such broadcasting shall belong to SSJ and SSJ shall be responsible for all costs charges and expenses in connection with such broadcasting. In addition, SSJ shall have the right to videotape all home games for its own unrestricted use, provided it shall bear all costs, charges and expenses incurred in connection with such videotaping.

t. Insurance. The CAA and SSJ will each obtain and carry, during the term of the Agreement, commercial liability insurance for protection from damages due to bodily injury, loss or damage to property occurring on or about the Arena or arising out of or in any way connected with acts or omissions or the failure to comply fully with the terms or conditions of the Agreement with coverage in an amount of not less than \$5,000,000 combined single limits. Each party (and SMG with respect to SSJ's policy) shall be named as an additional insured on the other party's policy. Each policy shall contain a provision that it shall not be cancelled or modified without 30-days prior written notice to both the CAA and SSJ.


u. Indemnification. SSJ will agree to indemnify and defend and hold harmless the CAA and SMG from any liability for injury to or death of any person or damage to personal property arising from or in connection with the use and occupancy with the Arena caused by the acts or omissions of SSJ or its agents or employees or by the failure of SSJ or its agents or employees to fulfill SSJ's obligations under the Agreement.

v. SSJ Subject to G League Rules and Regulations. The business of SSJ is owning the Team, which is a professional basketball team that is a member of the G League. In matters relating to such activities, the obligations of SSJ are subject to the constitution, bylaws and rule and regulations of the G League. SSJ agrees to provide the CAA with a copy of the rules and regulations of the G League as such rules and regulations relate to the playing of home games in the Arena and any obligations of the CAA related thereto.

The undersigned parties agree to be bound by the provisions of this Term Sheet, it being understood that such provisions along with other normal and customary provisions will be incorporated in the Agreement to be approved by the CAA Board and executed by SSJ and the CAA.

SSJ GROUP, LLC

Dated: June 28th, 2022

By: 
Steven Jbara, Manager

SMG

Dated: June _____, 2022

By: _____
Richard MacKeigan
General Manager



Memorandum

To: CAA Board of Directors

From: Rich MacKeigan

Date: August 5, 2022

Re: Application to Liquor Control Commission for Special License

Once again, the “Best Fall Wine Festival Not to Miss” will be returning to DeVos Place®. 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 Special (24-Hour) On-Premises Licenses. These licenses allow 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-premises consumption. The dates for the Wine, Beer & Food Festival this year are Thursday for VIP tours, Friday and Saturday, November 17-19, 2022.

The license fee is \$50.00 for each separate, consecutive day of the event. This is the same process we have gone through in previous years, 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 apply to the Michigan Liquor Control Commission for Special On-Premises Licenses.