



Agenda

Board of Directors

Friday, February 2, 2018
Following CAA Finance Committee Meeting
DeVos Place® Monroe Meeting Room
303 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|----|--|----------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of January 5, 2018 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Experience Grand Rapids Report | Information |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending December 31, 2017 | Action |
| | ii. SMG December 2017 Financial Statements – Van Andel Arena® and DeVos Place® | Information |
| | iii. Second Quarter Capital Roll Update | Information |
| | iv. Auto Parking System Periodic Reporting | Information |
| 4. | FY 2018 Budget Amendment | Action |
| 5. | DeVos Performance Hall Recognition Signage | Action |
| 6. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 7. | Public Comment | |
| 8. | Adjournment | |

Next Meeting Date: Friday, March 2, 2018
Following CAA Operations Committee Meeting

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
Friday, January 5, 2018**

Attendance

Members Present:

Rosalynn Bliss
Birgit Klohs
Charlie Secchia
Floyd Wilson, Jr.
Richard Winn

Members Absent:

Lew Chamberlin
Steve Heacock

Staff/Others:

Tom Bennett	Experience Grand Rapids
Wayman Britt	Kent County
Eric DeLong	City of Grand Rapids
Scott Gorsline	DP Fox
Tim Gortsema	Grand Rapids Griffins
Chris Machuta	SMG
Rich MacKeigan	SMG
Hilarie Szarowicz	SMG
Susan Waddell	CAA
Richard Wendt	Dickinson Wright

1. Call to Order

Richard Winn, Secretary/Treasurer, called the meeting to order at 8:25 a.m., in the absence of Chair Steve Heacock. CAA staff recorded the meeting minutes.

2. Minutes of Prior Meeting

Motion by Ms. Klohs, support by Mr. Wilson, to approve the December 1, 2017, Minutes. Motion carried.

3. Election of Officers

Officers of the CAA are elected in January of every second year, since the initial organizational Board meeting of April 18, 2000. The current officers serving include Steven R. Heacock – Chair; Birgit M. Klohs – Vice Chair; and Richard A. Winn – Secretary/Treasurer. All Board members have been contacted regarding their interest in serving as officers for the next two years. The recommended slate of officers is: Steven R. Heacock – Chair; Birgit M. Klohs – Vice Chair; and Richard A. Winn – Secretary/Treasurer.

Motion: Mr. Wilson, supported by Ms. Bliss, moved to approve the recommended slate of officers, for terms expiring in January 2020. Motion carried.

4. Committee Reports

A. Operations Committee

There was nothing new to add.

B. Finance Committee

i. Acceptance of November 2017 Consolidated Financial Statements

Mr. Winn presented the consolidated financial report for the period ended November 30, 2017. The dashboard showed that eight concerts generated \$668,096 in event revenue, a decrease of (46.9%) from prior year (12 concerts) of \$1,257,175. Convention/trade show business generated \$1,169,473 in event revenue, an increase of +33.8% from prior year (attendance increased from 57,446 to 68,307) of \$874,023.

The budget summary on page 3 shows the financial trends of the buildings for the year. The Van Andel Arena® net proceeds of \$393,196 decreased by (53.7%) from prior year of \$848,631. The DeVos Place® net proceeds of +\$763,719 increased by +515.7% from prior year proceeds of (\$148,088).

Motion: Ms. Klohs, supported by Mr. Wilson, moved to accept the November 2017 Consolidated Financial Statements. Motion carried.

ii. SMG November 2017 Van Andel Arena® and DeVos Place® Financial Statements

Mr. Machuta reported that the Van Andel Arena® was slower than anticipated for November, as eight Griffins games were expected with only five hosted. Lower-than-budgeted sales for Janet Jackson and Marvel were offset by a strong selling Chris Stapleton concert. DeVos Place® continued its strong start to the fiscal year with a very solid November, highlighted by four sold-out weeks of Broadway shows and a very well attended International Wine, Beer & Food Festival.

5. SMG Report and Facilities Calendars

Mr. MacKeigan reported that the request for proposals (RFP) for the hotel study will be let today, with a submission deadline of January 31, 2018. The RFP is not an either/or, but includes both the convention center and the Arena. The scope includes looking at the river restoration (the Destination Asset Study weighs heavily) but not does include expansion of the convention center. However, that exclusion does not preclude a consultant from suggesting such an expansion. Because the size of the Arena footprint is considerable, we anticipate the Arena study to include meeting rooms and ballroom space. The February agenda may include a recommendation for a capital item budget amendment. The budget includes \$1 million to replace door 6 on the Michigan Street side. We might be able to replace all doors for \$1.2 million - \$1.5 million. Staff is gathering and reviewing information. Staff continues to monitor capacity of the ladies' rooms at DeVos Performance Hall.

6. Public Comment

None.

7. Adjournment

The meeting adjourned at 8:45 a.m.

Susan M. Waddell, Recording Secretary

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
December 31, 2017**

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**Financial Dashboard
Year-To-Date (6 Months)
December 31, 2017**

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	49	49	51	15	13	12
Attendance	267,653	264,700	267,738	122,991	106,000	98,756
Event Income	\$ 2,154,881	\$ 1,722,969	\$ 1,618,729	\$ 1,539,876	\$ 1,086,947	\$ 1,043,475
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	206	221	260	58	51	84
Attendance	222,320	227,350	297,456	70,446	51,000	80,307
Event Income	\$ 2,504,467	\$ 2,626,849	\$ 3,384,265	\$ 1,097,486	\$ 971,550	\$ 1,326,624
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 1,084,667	\$ 304,459	\$ 1,289,558
Capital/Repair/Replacement				(1,578,734)	(1,581,284)	(1,505,806)
Net - To/(From) on Fund Balance				\$ (494,067)	\$ (1,276,825)	\$ (216,248)

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2017

\$ 23,411,454

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2018

	FY 2018				FY 2017
	7/1 - 12/31				
	Year-to-Date	Roll	Estimate*	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 2,758,187	\$ 3,144,354	\$ 5,902,541	\$ 5,862,420	\$ 7,215,161
- Expenses - Facilities	(2,058,167)	(2,412,089)	(4,470,256)	(4,417,724)	(4,384,253)
- Base Management Fees	(88,220)	(88,220)	(176,440)	(177,134)	(173,661)
- Incentive Fee	-	(97,631)	(97,631)	(101,780)	(178,902)
Net Operating Income (Loss)	611,800	546,414	1,158,214	1,165,782	2,478,345
Parking	171,750	213,237	384,987	384,987	314,180
Pedestrian Safety	(18,752)	(89,248)	(108,000)	(108,000)	(106,657)
Net Proceeds (Cost) of VAA	764,798	670,403	1,435,201	1,442,769	2,685,868
DeVos Place Convention Center					
Operating - Revenues	3,401,134	3,458,491	6,859,625	6,337,310	6,491,239
- Expenses - Facilities	(3,149,439)	(2,935,641)	(6,085,080)	(5,979,448)	(6,016,985)
- Base Management Fees	(88,220)	(88,220)	(176,440)	(177,134)	(173,661)
- Incentive Fee	-	(255,249)	(255,249)	(252,488)	(168,420)
Net Operating Income (Loss)	163,475	179,381	342,856	(71,760)	132,173
Parking	577,948	565,818	1,143,766	1,143,766	1,221,140
Pedestrian Safety	(14,434)	(36,566)	(51,000)	(51,000)	(56,179)
Net Proceeds (Cost) of DVP	726,989	708,633	1,435,622	1,021,006	1,297,134
Other					
Revenues	106,723	314,527	421,250	371,250	266,360
Expenses	(308,952)	(619,921)	(928,873)	(928,873)	(708,397)
Net Other	(202,229)	(305,394)	(507,623)	(557,623)	(442,037)
Total Net Proceeds/Operating	1,289,558	1,073,642	2,363,200	1,906,152	3,540,965
Capital Expenditures	(1,505,806)	(2,303,716)	(3,809,522)	(3,885,000)	(2,359,728)
Results Net of Capital Expenditures	\$ (216,248)	\$ (1,230,074)	\$ (1,446,322)	\$ (1,978,848)	\$ 1,181,237

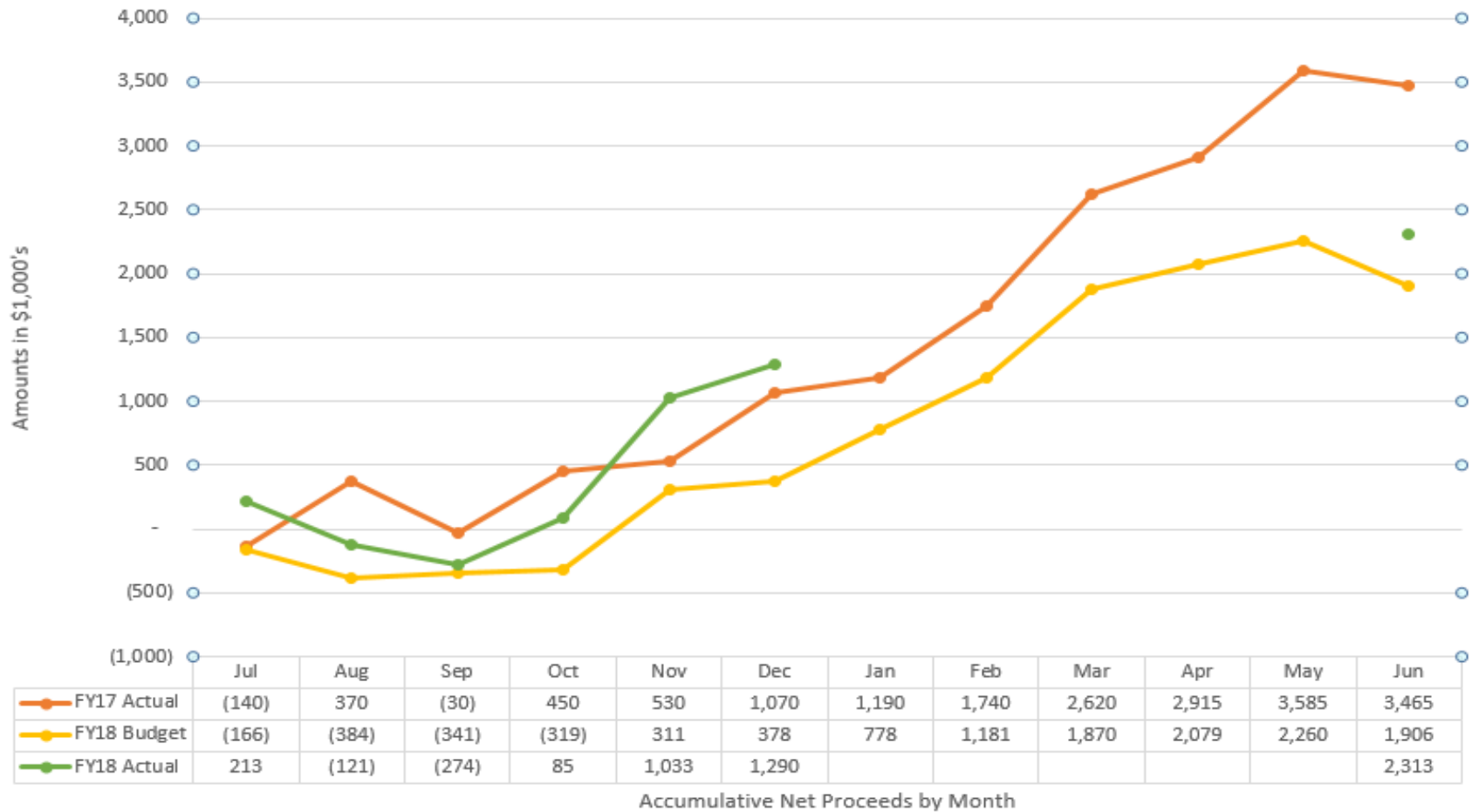
*Updated estimate will be based on quarterly performance and projections for balance of year. Next quarterly update to be provided with March financial report (5/4/18 Board meeting).

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2018

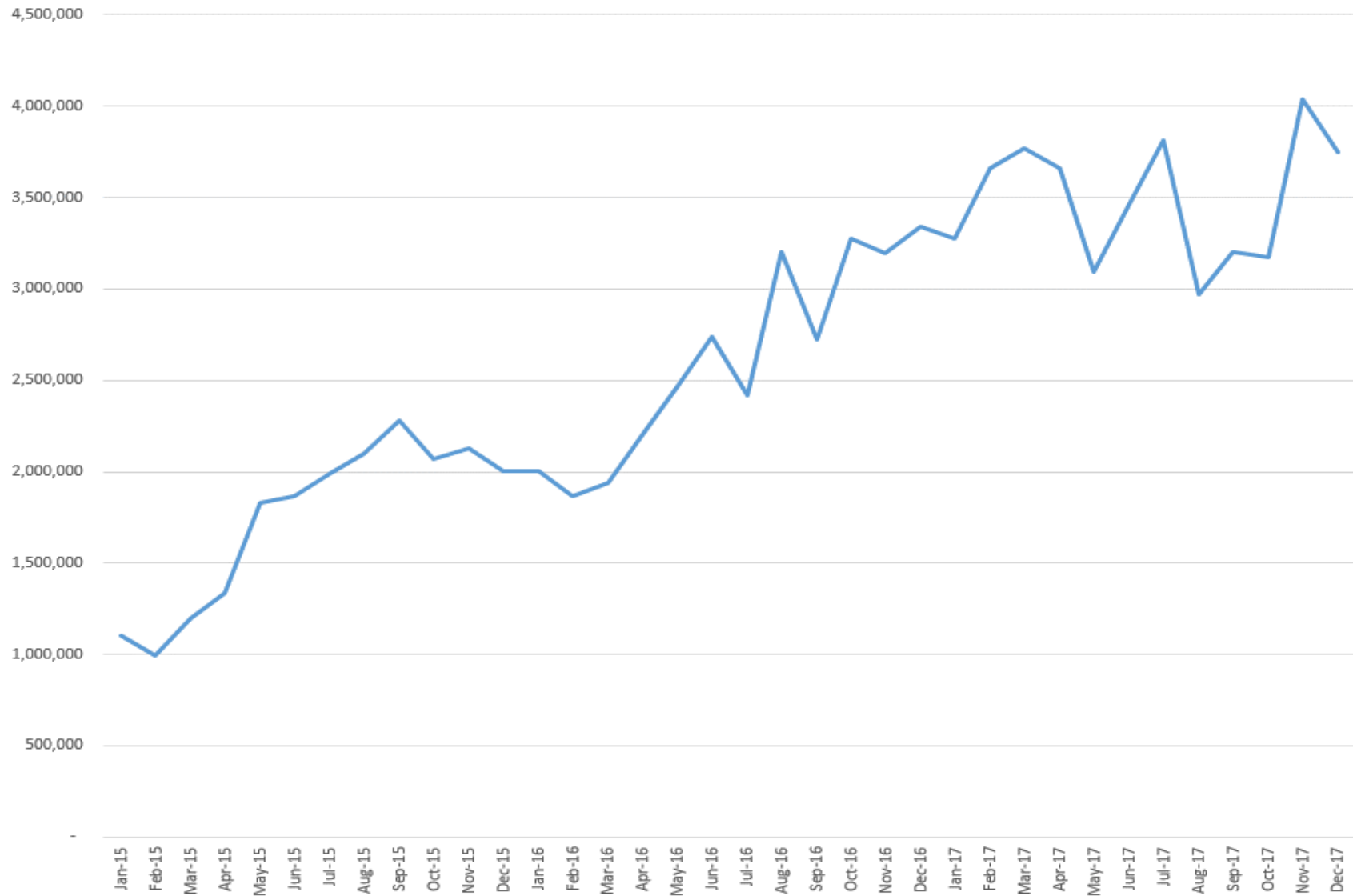
	Annual			Year-To-Date		
	FY 2017	FY 2018	Percentage	FY 2017	FY 2018	Percentage
	Final	Budget	Change	7/1 - 12/31	7/1 - 12/31	Change
Van Andel Arena						
Operating - Revenues	\$ 7,215,161	\$ 5,862,420	(18.7)	\$3,386,394	\$ 2,758,187	(18.6)
- Expenses - Facilities	(4,384,253)	(4,417,724)	(0.8)	(2,102,231)	(2,058,167)	2.1
- Base Management Fees	(173,661)	(177,134)	(2.0)	(86,831)	(88,220)	(1.6)
- Incentive Fee	(178,902)	(101,780)	43.1	-	-	-
Net Operating Income (Loss)	2,478,345	1,165,782	(53.0)	1,197,332	611,800	(48.9)
Parking	314,180	384,987	22.5	131,012	171,750	31.1
Pedestrian Safety	(106,657)	(108,000)	(1.3)	(30,825)	(18,752)	39.2
Net Proceeds (Cost) of VAA	2,685,868	1,442,769	(53.7)	1,297,519	764,798	(41.1)
DeVos Place Convention Center						
Operating - Revenues	6,491,239	6,337,310	(2.4)	2,526,724	3,401,134	34.6
- Expenses - Facilities	(6,016,985)	(5,979,448)	0.6	(2,752,300)	(3,149,439)	(14.4)
- Base Management Fees	(173,661)	(177,134)	(2.0)	(86,831)	(88,220)	(1.6)
- Incentive Fee	(168,420)	(252,488)	(49.9)	-	-	-
Net Operating Income (Loss)	132,173	(71,760)	(154.3)	(312,407)	163,475	152.3
Parking	1,221,140	1,143,766	(6.3)	346,467	577,948	66.8
Pedestrian Safety	(56,179)	(51,000)	9.2	(13,867)	(14,434)	(4.1)
Net Proceeds (Cost) of DVP	1,297,134	1,021,006	(21.3)	20,193	726,989	3600.2
Other						
Revenues	266,360	371,250	39.4	85,619	106,723	24.6
Expenses	(708,397)	(928,873)	(31.1)	(318,668)	(308,952)	3.0
Net Other	(442,037)	(557,623)	(26.1)	(233,049)	(202,229)	13.2
Total Net Proceeds/Operating	3,540,965	1,906,152	(46.2)	1,084,663	1,289,558	18.9
Capital/Repair Expenditures	(2,359,728)	(3,885,000)	(64.6)	(1,578,734)	(1,505,806)	4.6
Results Net of Capital Expenditures	\$ 1,181,237	\$ (1,978,848)	(267.5)	\$ (494,071)	\$ (216,248)	56.2

CAA Trends

Monthly Net Operating Proceeds through December 31, 2017



Lagging 36 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Twelve concerts generated \$1,043,475 in event revenue, a decrease of (32.2%) from prior year (15 concerts) of \$1,539,876.
- Page 3 - Net proceeds of \$764,798 decreased by (41.1%) from prior year of \$1,297,519.

DeVos Place®

- Page 1 - Convention/trade show business generated \$1,326,624 in event revenue, an increase of +20.9% from prior year (attendance increased from 70,446 to 80,307) of \$1,097,486.
- Page 3 - Net "proceeds" of +\$726,798 increased by +3,600.2% from prior year "proceeds" of +\$20,193.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
December 31, 2017

	Annual			Actual		
	FY 2017 Final	FY 2018 Budget	Percentage Change	FY 2017 7/1-12/31	FY 2018 7/1/-12/31	Percentage Change
Other						
Revenues						
Interest/Capital Contr.	\$ 176,908	\$ 286,250	61.8	\$ 79,214	\$ 99,243	25.3
Miscellaneous	89,452	135,000	50.9	6,405	7,480	16.8
	<u>266,360</u>	<u>421,250</u>	⁽²⁾ 58.2	<u>85,619</u>	<u>106,723</u>	<u>24.6</u>
Expenses						
Marketing (CVB/Sports)	125,000	200,000	60.0	50,000	75,000	50.0
Diversity Initiative	68,077	150,000	120.3	18,625	29,849	60.3
Wages/Benefits	129,780	131,468	1.3	52,618	55,547	5.6
Professional Services	61,715	65,500	6.1	33,745	32,442	(3.9)
DID Assessment	38,405	55,422	44.3	38,405	40,254	4.8
Food & Beverage Repairs	-	40,000	100.0+	-	-	-
Consulting Services	117,709	150,000 ⁽¹⁾	27.4	49,654	18,713	(62.3)
Landscaping	14,001	25,000	78.6	9,197	8,131	(11.6)
Procurement of Art	28,941	30,000	3.7	26,719	8,056	(69.8)
Insurance	17,238	21,483	24.6	21,062	25,084	19.1
Supplies/Other	107,531	60,000	(44.2)	18,643	15,876	(14.8)
	<u>708,397</u>	<u>928,873</u>	<u>31.1</u>	<u>318,668</u>	<u>308,952</u>	<u>3.0</u>
Net Proceeds - Operating	<u>\$ (442,037)</u>	<u>\$ (507,623)</u>	<u>(19.3)</u>	<u>\$ (233,049)</u>	<u>\$ (202,229)</u>	<u>13.2</u>

Notes:

⁽¹⁾ Includes SMG \$33,355 and \$116,645 for hotel study.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2017

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



Distribution:

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




An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2018

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	51	57	108	100	8
ATTENDANCE	267,738	372,369	640,107	612,100	28,007
DIRECT EVENT INCOME	520,706	959,800	1,480,506	1,517,650	(37,144)
ANCILLARY INCOME	695,888	644,081	1,339,969	1,397,670	(57,701)
OTHER EVENT INCOME	402,135	371,590	773,725	679,500	94,225
TOTAL EVENT INCOME	1,618,729	1,975,471	3,594,200	3,594,820	(620)
TOTAL OTHER INCOME	1,139,458	1,168,883	2,308,341	2,267,600	40,741
TOTAL INCOME	2,758,187	3,144,354	5,902,541	5,862,420	40,121
INDIRECT EXPENSES					
EXECUTIVE	87,163	120,575	207,738	216,712	8,974
FINANCE	109,104	129,549	238,653	256,576	17,923
MARKETING	164,629	147,317	311,946	260,906	(51,040)
OPERATIONS	941,652	1,123,807	2,065,459	2,047,399	(18,060)
BOX OFFICE	78,699	98,441	177,140	168,146	(8,994)
LUXURY SEATING	1,842	66,367	68,209	84,049	15,840
SKYWALK ADMIN	24,912	30,004	54,916	57,900	2,984
OVERHEAD	738,384	784,251	1,522,635	1,503,170	(19,465)
TOTAL INDIRECT EXP.	2,146,387	2,500,311	4,646,696	4,594,858	(51,838)
NET REVENUE ABOVE EXPENSES	611,800	644,043	1,255,845	1,267,562	(11,717)
LESS INCENTIVE FEE		97,631	97,631	101,780	4,149
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	611,800	546,412	1,158,214	1,165,782	(7,568)

Comments:

The arena concludes a strong first half of the fiscal year consistent overall with budget. Strong event activity is expected to continue through the balance of the fiscal year and expected to finish reasonably close to budget, however, upside as all forecasted events are booked and no potential Griffins playoff games are included in the forecast.


General Manager


Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2018**

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

MONTH	December Actual	December Budget	December FY 2017
Number of Events	12	10	16
Attendance	87,983	73,500	83,635
Direct Event Income	\$169,326	\$148,000	\$229,832
Ancillary Income	183,270	146,596	185,768
Other Event Income	126,040	81,000	116,885
Other Operating Income	225,990	204,521	201,195
Indirect Expenses	(367,666)	(382,906)	(325,342)
Net Income	<u>\$336,960</u>	<u>\$197,211</u>	<u>\$408,338</u>

YTD	YTD 2017 Actual	YTD 2017 Budget	YTD 2017 Prior Year
Number of Events	51	49	49
Attendance	267,738	264,700	267,653
Direct Event Income	\$520,706	\$765,550	\$895,854
Ancillary Income	695,888	609,919	787,727
Other Event Income	402,135	313,500	471,300
Other Operating Income	1,139,458	1,139,125	1,231,513
Indirect Expenses	(2,146,387)	(2,297,436)	(2,189,062)
Net Income	<u>\$611,800</u>	<u>\$530,658</u>	<u>\$1,197,332</u>

EVENT INCOME

Event income came in consistent with budget overall.

ANCILLARY INCOME

Ancillary income came in higher than budget as per caps continue to be very strong coupled with higher than anticipated sales for TSO.

INDIRECT EXPENSES

Indirect expenses came in consistent with expectations for the month.

Van Andel Arena
Income Statement
For the Six Months Ending December 31, 2017

	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	\$266,035	\$197,000	\$69,035	\$320,859	\$903,811	\$1,021,050	(\$117,239)	\$1,239,575
Service Revenue	298,834	269,500	29,334	300,713	1,270,555	1,194,000	76,555	1,475,217
Service Expenses	(395,543)	(318,500)	(77,043)	(391,740)	(1,653,660)	(1,415,500)	(238,160)	(1,818,938)
Total Direct Event Income	169,326	148,000	21,326	229,832	520,706	799,550	(278,844)	895,854
Ancillary Income								
F&B Concession	153,555	126,877	26,678	160,567	581,946	528,570	53,376	644,962
F&B Catering	19,450	12,039	7,411	17,196	64,174	45,349	18,825	70,248
Novelty Sales	8,371	7,680	691	7,647	38,295	36,000	2,295	71,941
Booth Cleaning	314	0	314	358	2,658	0	2,658	358
Audio Visual	1,580	0	1,580	0	8,815	0	8,815	218
Total Ancillary Income	183,270	146,596	36,674	185,768	695,888	609,919	85,969	787,727
Other Event Income								
Ticket Rebates(Per Event)	126,040	81,000	45,040	116,885	402,135	313,500	88,635	471,300
Total Other Event Income	126,040	81,000	45,040	116,885	402,135	313,500	88,635	471,300
Total Event Income	478,636	375,596	103,040	532,485	1,618,729	1,722,969	(104,240)	2,154,881
Other Operating Income								
Luxury Box Agreements	164,962	148,438	16,524	140,607	793,267	802,627	(9,360)	883,546
Advertising	56,680	52,083	4,597	56,680	318,931	312,498	6,433	323,285
Other Income	4,348	4,000	348	3,908	27,260	24,000	3,260	24,682
Total Other Operating Income	225,990	204,521	21,469	201,195	1,139,458	1,139,125	333	1,231,513
Adjusted Gross Income	704,626	580,117	124,509	733,680	2,758,187	2,862,094	(103,907)	3,386,394
Operating Expenses								
Salaries and Wages	219,143	209,099	10,044	204,342	1,123,562	1,254,594	(131,032)	1,194,599
Payroll Taxes and Benefits	52,657	63,430	(10,773)	50,068	273,642	380,580	(106,938)	316,218
Labor Allocations to Events	(134,253)	(107,925)	(26,328)	(137,392)	(612,739)	(647,550)	34,811	(662,194)
Net Salaries and Benefits	137,547	164,604	(27,057)	117,018	784,465	987,624	(203,159)	848,623
Contracted Services	22,328	21,150	1,178	29,506	141,290	126,900	14,390	129,114
General and Administrative	44,515	25,823	18,692	29,215	263,748	154,938	108,810	241,254
Operations	5,333	8,065	(2,732)	4,440	28,575	48,390	(19,815)	23,388
Repair and Maintenance	15,193	30,258	(15,065)	14,557	182,681	181,548	1,133	179,351
Operational Supplies	20,132	20,792	(660)	10,301	109,988	124,752	(14,764)	88,904
Insurance	24,366	14,736	9,630	22,593	79,790	88,416	(8,626)	80,324
Utilities	83,549	82,717	832	83,240	467,630	496,302	(28,672)	511,273
SMG Management Fees	14,703	14,761	(58)	14,472	88,220	88,566	(346)	86,831
Total Operating Expenses	367,666	382,906	(15,240)	325,342	2,146,387	2,297,436	(151,049)	2,189,062
Net Income(Loss) From Operations	336,960	197,211	139,749	408,338	611,800	564,658	47,142	1,197,332
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	336,960	197,211	139,749	408,338	611,800	564,658	47,142	1,197,332

3

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Six Months Ended December 31, 2017

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	6	7	16,515	21,000	60,525	103,570
Sporting Event	5	4	16,075	10,000	122,207	81,180
Concert	12	13	98,756	106,000	1,043,475	1,086,947
Team Home Games	17	16	93,068	107,200	178,224	254,656
Other	11	9	43,324	20,500	214,297	196,620
GRAND TOTALS	51	49	267,738	264,700	1,618,729	1,722,969

As Percentage of Overall

Family Show	11.76%	14.29%	6.17%	7.93%	3.74%	6.01%
Sporting Event	9.80%	8.16%	6.00%	3.78%	7.55%	4.71%
Concert	23.53%	26.53%	36.89%	40.05%	64.46%	63.09%
Team Home Games	33.33%	32.65%	34.76%	40.50%	11.01%	14.78%
Other	21.57%	18.37%	16.18%	7.74%	13.24%	11.41%

4

**Van Andel Arena
Balance Sheet
As of December 31, 2017**

ASSETS

Current Assets

Cash	11,012,015
Account Receivable	1,416,151
Prepaid Expenses	72,994

Total Current Assets		\$12,501,159
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Total Assets		\$12,501,159
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	2,896,351
Accrued Expenses	432,582
Deferred Income	2,088,227
Advanced Ticket Sales & Deposits	8,278,948

Total Current Liabilities		\$13,696,108
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Other Liabilities

Equity

Funds Remitted to CAA	(1,646,634)
Expenses Paid Direct by CAA	414,028
Beginning Balance Equity	(574,145)
Current Year Equity	611,801

Total Equity		(\$1,194,949)
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Total Liabilities and Equity		\$12,501,159
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2017

Current - Under 30 Days	
Food & Beverage	-
Ticketing	498,854
Merchandise	-
Permanent Advertising	595,564
DeVos Place	18,278
Operating	283,219
 Over 30 Days	 17,638
 Over 60 Days	 2,598
 Over 90 Days	
 Total Accounts Receivable	 1,416,151

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2018**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2017 Actual
Net Revenue above Expenses	1,255,845	598,105	1,853,950	2,957,840
Benchmark ++			750,000	750,000
Excess	1,255,845	598,105	1,103,950	2,207,840

Incentive Fee Calculation (Only if above greater than zero)

	Arena Actual	DeVos Place Actual	Total Estimate	Total Actual
Base Fee	176,440	176,440	352,880	347,322
Incentive Fee				
Revenue	5,902,541	6,859,625	12,762,166	13,706,400
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,600,000
Revenue Excess	752,541	2,309,625	3,062,166	4,106,400
Incentive Fee **	86,722	266,158	352,880	347,322
Total SMG Management Fee	263,162	442,598	705,760	694,644

** 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.

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2017

Distribution:

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



An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2018

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	260	270	530	485	45
ATTENDANCE	297,456	352,424	649,880	579,000	70,880
DIRECT EVENT INCOME	1,527,345	1,835,350	3,362,695	3,195,900	166,795
ANCILLARY INCOME	1,360,101	1,332,721	2,692,822	2,533,410	159,412
OTHER EVENT INCOME	496,822	214,600	711,422	501,000	210,422
TOTAL EVENT REVENUE	3,384,268	3,382,671	6,766,939	6,230,310	536,629.00
TOTAL OTHER REVENUE	16,866	75,820	92,686	107,000	(14,314)
TOTAL OPERATING REVENUE	3,401,134	3,458,491	6,859,625	6,337,310	522,315
INDIRECT EXPENSES					
EXECUTIVE	108,154	108,667	216,821	212,411	(4,410)
FINANCE	129,910	145,107	275,017	280,881	5,864
MARKETING	62,550	72,878	135,428	175,259	39,831
OPERATIONS	620,723	941,652	1,562,375	1,581,754	19,379
EVENT SERVICES	776,118	446,702	1,222,820	1,174,280	(48,540)
BOX OFFICE	117,621	58,299	175,920	133,748	(42,172)
SALES	191,228	253,795	445,023	429,439	(15,584)
OVERHEAD	1,231,354	996,762	2,228,116	2,168,810	(59,306)
TOTAL OPERATING EXP.	3,237,659	3,023,862	6,261,520	6,156,582	(104,938)
NET REVENUE ABOVE EXPENSES	163,475	434,629	598,105	180,728	417,377
INCENTIVE FEE		255,249	255,249	252,488	(2,761)
NET OPERATING REVENUE OVER OPERATING EXPENSES	163,475	179,380	342,856	(71,760)	414,616

Comments:

DeVos Place concludes a very successful first half of the fiscal year with event activity and associated revenue exceeding budget and prior year. The second half of the fiscal year is expected to perform a little behind budget, however, should finish the fiscal year well ahead of budget.

General Manager

Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2018

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

MONTH	December Actual	December Budget	December FY 2017
Number of Events	32	35	39
Attendance	50,971	37,050	53,645
Direct Event Income	\$221,598	\$176,450	\$252,796
Ancillary Income	199,368	125,684	223,586
Other Event Income	91,653	58,100	75,804
Other Operating Income	1,617	2,666	1,718
Indirect Expenses	(615,047)	(513,049)	(422,387)
Net Income	(\$100,811)	(\$150,149)	\$131,517

YTD	YTD 2017 Actual	YTD 2017 Budget	YTD 2017 Prior Year
Number of Events	260	221	206
Attendance	297,456	227,350	222,320
Direct Event Income	\$1,527,345	\$1,275,150	\$1,200,545
Ancillary Income	1,360,101	1,091,899	1,024,801
Other Event Income	496,822	259,800	279,121
Other Operating Income	16,866	15,996	22,257
Indirect Expenses	(3,237,659)	(3,078,294)	(2,839,131)
Net Income	\$163,475	(\$435,449)	(\$312,407)

EVENT INCOME

Direct event income came in ahead of budget overall as most events hosted during the month exceeded expectations.

ANCILLARY INCOME

Ancillary income finished the month well ahead of budget as spending on electrical and decorating was greater than anticipated.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, mostly due to timing and fiscal year as a whole should be OK as compared to budget.

DeVos Place
Income Statement
For the Six Months Ending December 31, 2017

	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	\$240,599	\$175,900	\$64,699	\$263,934	\$1,620,491	\$1,338,650	\$281,841	\$1,293,291
Service Revenue	283,812	218,600	65,212	319,050	1,705,732	1,404,500	301,232	1,411,135
Service Expenses	(302,813)	(218,050)	(84,763)	(330,188)	(1,798,878)	(1,468,000)	(330,878)	(1,503,881)
Total Direct Event Income	221,598	176,450	45,148	252,796	1,527,345	1,275,150	252,195	1,200,545
Ancillary Income								
F&B Concession	18,544	8,125	10,419	16,121	115,729	64,975	50,754	72,981
F&B Catering	47,482	50,325	(2,843)	70,458	502,239	420,525	81,714	340,253
Novelty Sales	18,565	558	18,007	181	37,741	8,414	29,327	20,400
Booth Cleaning	22,063	8,721	13,342	24,293	124,666	119,510	5,156	109,723
Telephone/Long Distance	300	0	300	0	7,868	0	7,868	563
Electrical Services	43,395	13,800	29,595	50,214	198,600	162,750	35,850	177,675
Audio Visual	17,555	20,880	(3,325)	31,393	189,649	161,850	27,799	162,890
Internet Services	2,884	4,925	(2,041)	9,967	49,794	49,375	419	44,101
Equipment Rental	28,580	18,350	10,230	20,959	133,815	104,500	29,315	96,215
Total Ancillary Income	199,368	125,684	73,684	223,586	1,360,101	1,091,899	268,202	1,024,801
Other Event Income								
Ticket Rebates(Per Event)	91,653	58,100	33,553	75,804	496,822	259,800	237,022	279,121
Total Other Event Income	91,653	58,100	33,553	75,804	496,822	259,800	237,022	279,121
Total Event Income	512,619	360,234	152,385	552,186	3,384,268	2,626,849	757,419	2,504,467
Other Operating Income								
Luxury Box Agreements	1,217	1,333	(116)	1,353	8,052	7,998	54	8,394
Other Income	400	1,333	(933)	365	8,814	7,998	816	13,863
Total Other Operating Income	1,617	2,666	(1,049)	1,718	16,866	15,996	870	22,257
Adjusted Gross Income	514,236	362,900	151,336	553,904	3,401,134	2,642,845	758,289	2,526,724
Operating Expenses								
Salaries and Wages	451,647	298,949	152,698	312,025	2,322,654	1,793,694	528,960	1,522,695
Payroll Taxes and Benefits	105,997	99,063	6,934	83,193	573,188	594,378	(21,190)	451,248
Labor Allocations to Events	(314,684)	(189,839)	(124,845)	(245,302)	(1,648,538)	(1,139,034)	(509,504)	(877,909)
Net Salaries and Benefits	242,960	208,173	34,787	149,916	1,247,304	1,249,038	(1,734)	1,096,034
Contracted Services	40,024	23,692	16,332	17,169	193,136	142,152	50,984	179,672
General and Administrative	31,959	33,156	(1,197)	16,836	188,717	198,936	(10,219)	152,436
Operations	9,115	11,571	(2,456)	7,125	95,666	69,426	26,240	71,238
Repair and Maintenance	79,376	48,100	31,276	26,996	336,541	288,600	47,941	216,663
Operational Supplies	27,652	24,225	3,427	4,918	139,716	145,350	(5,634)	87,336
Insurance	20,186	20,804	(618)	21,011	119,240	124,824	(5,584)	102,282
Utilities	149,072	128,567	20,505	163,944	829,119	771,402	57,717	846,639
SMG Management Fees	14,703	14,761	(58)	14,472	88,220	88,566	(346)	86,831
Total Operating Expenses	615,047	513,049	101,998	422,387	3,237,659	3,078,294	159,365	2,839,131
Net Income(Loss) From Operati	(100,811)	(150,149)	49,338	131,517	163,475	(435,449)	598,924	(312,407)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(100,811)	(150,149)	49,338	131,517	163,475	(435,449)	598,924	(312,407)

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Six Months Ended December 31, 2017

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	84	51	80,307	51,000	1,326,624	971,550
Consumer/Gated Shows	11	7	36,161	18,000	142,653	128,715
DeVos Performance Hall	86	80	143,162	106,450	1,212,275	867,039
Banquets	19	18	14,430	14,400	221,409	196,830
Meetings	39	45	10,939	13,500	355,018	316,395
Other	21	20	12,457	24,000	126,285	146,320
GRAND TOTALS	260	221	297,456	227,350	3,384,265	2,626,849

As Percentage of Overall

Convention/Trade Shows	32.31%	23.08%	27.00%	22.43%	39.20%	36.99%
Consumer/Gated Shows	4.23%	3.17%	12.16%	7.92%	4.22%	4.90%
Devos Performance Hall	33.08%	36.20%	48.13%	46.82%	35.82%	33.01%
Ballroom Exclusive	7.31%	8.14%	4.85%	6.33%	6.54%	7.49%
Meetings	15.00%	20.36%	3.68%	5.94%	10.49%	12.04%
Other	8.08%	9.05%	4.19%	10.56%	3.73%	5.57%

4

**DeVos Place
Balance Sheet
As of December 31, 2017**

ASSETS

Current Assets

Cash	2,562,010
Account Receivable	1,123,055
Prepaid Expenses	266,411

Total Current Assets	\$3,951,476	
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Total Assets	\$3,951,476	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	133,949
Accrued Expenses	272,378
Deferred Income	123,542
Advanced Ticket Sales & Deposits	2,087,421

Total Current Liabilities	\$2,617,289	
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Other Liabilities

Equity

Funds Remitted to CAA	(640,294)
Expenses Paid Direct by CAA	746,361
Beginning Balance Equity	1,064,649
Current Year Equity	163,472

Total Equity	\$1,334,187	
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Total Liabilities and Equity	\$3,951,476	
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5

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2017

Current - Under 30 Days	
Food & Beverage	66,082
Ticketing	363,822
Merchandise	17,642
Decorating	22,062
Audio/Visual	19,134
Van Andel Arena	(18,278)
Operating	422,233
 Over 30 Days	 152,214
 Over 60 Days	 78,144
 Over 90 Days	
 Total Accounts Receivable	 1,123,055

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2018**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2017 Actual
Net Revenue above Expenses	1,255,845	598,105	1,853,950	2,957,840
Benchmark ++			750,000	750,000
Excess	1,255,845	598,105	1,103,950	2,207,840

Incentive Fee Calculation (Only if above greater than zero)

	Arena Actual	DeVos Place Actual	Total Estimate	Total Actual
Base Fee	176,440	176,440	352,880	347,322
Incentive Fee				
Revenue	5,902,541	6,859,625	12,762,166	13,706,400
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,600,000
Revenue Excess	752,541	2,309,625	3,062,166	4,106,400
Incentive Fee **	86,722	266,158	352,880	347,322
Total SMG Management Fee	263,162	442,598	705,760	694,644

** 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.

Grand Rapids-Kent County Convention/Arena Authority
 Van Andel Arena/DeVos Place
 Capital Budget 2018

jhorton

1/25/2018

ROLLING FORCAST AS OF DECEMBER 31, 2017

Item #	Project	Budget	Actual Thru 2nd Quarter	Estimated 3rd quarter	Estimated 4th quarter	Estimated Total 2018	(Over)Under Budget
CARRYOVER							
						\$ -	\$ -
						\$ -	\$ -
VAN ANDEL ARENA							
6200.01	Arc Flash Hazard Analysis	\$ 75,000.00		\$ 75,000.00		\$ 75,000.00	\$ -
6200.02	Compressor Rebuilds (4)	\$ 140,000.00	\$ 113,325.59			\$ 113,325.59	\$ 26,674.41
6200.03	Folding Chairs (replace 300 chairs)	\$ 60,000.00	\$ 48,264.00			\$ 48,264.00	\$ 11,736.00
6200.04	Elevator Modernization Program	\$ 250,000.00	\$ 45,085.00	\$ 112,360.30	\$ 90,000.00	\$ 247,445.30	\$ 2,554.70
6200.05	Locker Room Refurbish Study	\$ 40,000.00	\$ 33,074.85	\$ 6,925.15		\$ 40,000.00	\$ -
6200.06	Concession Equipment	\$ 40,000.00	\$ 35,008.86			\$ 35,008.86	\$ 4,991.14
6200.07	Ice Making Machines	\$ 70,000.00	\$ 60,089.41			\$ 60,089.41	\$ 9,910.59
6200.08	Basketball Floor Demo	\$ 100,000.00		\$ 107,261.00		\$ 107,261.00	\$ (7,261.00)
6200.09	Dashers	\$ 230,000.00	\$ 385,646.90			\$ 385,646.90	\$ (155,646.90)
DE VOS PLACE							
6200.1	Phase 3 Security System Camera Upgrades	\$ 125,000.00	\$ 71,959.74	\$ 45,000.00		\$ 116,959.74	\$ 8,040.26
6200.11	Removal/Replace Flooring in DVPH Locker Room	\$ 150,000.00		\$ 65,000.00		\$ 65,000.00	\$ 85,000.00
6200.12	Recycling Containers	\$ 125,000.00	\$ 124,989.20			\$ 124,989.20	\$ 10.80
6200.13	DVPH Hearing Loop Upgrades	\$ 35,000.00	\$ 25,584.00			\$ 25,584.00	\$ 9,416.00
6200.14	Landscaping Trees	\$ 130,000.00		\$ 30,000.00	\$ 100,000.00	\$ 130,000.00	\$ -
6200.15	Arc Flash Hazard Analysis	\$ 125,000.00		\$ 125,000.00		\$ 125,000.00	\$ -
6200.16	Phase 1 of VFD Drive Replacements	\$ 125,000.00	\$ 110,015.00			\$ 110,015.00	\$ 14,985.00
6200.17	DVPH VIP Area	\$ 450,000.00			\$ 450,000.00	\$ 450,000.00	\$ -
6200.18	New Meters for Subs	\$ 50,000.00	\$ 36,180.00			\$ 36,180.00	\$ 13,820.00
6200.19	New Michigan Street Dock Door	\$ 1,000,000.00		\$ 500,000.00	\$ 500,000.00	\$ 1,000,000.00	\$ -
6200.2	Replace Radios	\$ 75,000.00	\$ 45,406.70	\$ 10,520.00		\$ 55,926.70	\$ 19,073.30
6200.21	Door Redesign for GG	\$ 50,000.00	\$ 23,350.00	\$ 26,650.00		\$ 50,000.00	\$ -
6200.22	Welsh Lobby Exterior	\$ 125,000.00	\$ 41,055.00	\$ 60,000.00		\$ 101,055.00	\$ 23,945.00
6200.23	DVPH Stage Lighting	\$ 165,000.00	\$ 164,991.29			\$ 164,991.29	\$ 8.71
6200.24	Secchia Lobby Window Treatments	\$ 150,000.00	\$ 141,780.00			\$ 141,780.00	\$ 8,220.00
TOTALS		\$ 3,885,000.00	\$ 1,505,805.54	\$ 1,163,716.45	\$ 1,140,000.00	\$ 3,809,521.99	\$ 75,478.01

Please Note: For the Dasher Board project at Van Andel Arena, the Grand Rapids Griffins agreed to contribute \$50,000 to overall cost of the project. The above amount represents total cost of the project before Griffins contribution.



Memorandum

To: Richard A. Winn
Finance Committee Chairperson

From: Robert White

Subject: Auto Parking System Periodic Reporting

Date: January 18, 2018

The recently (6/9) 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 second quarterly periodic report includes the following information:

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

The City currently holds 126 monthly passes.

The County currently holds 173 monthly passes.

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

The City reduced the number of passes out by 4 between 10/1/17 and 12/31/17.

The County requested 21 additional passes between 10/1/17 and 12/31/17.

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 \$60.77.

The City currently holds 126 passes with a total annualized discount of \$140,964.

The County currently holds 173 passes with a total annualized discount of \$193,545.

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 Q1	Total Spaces End of Q2	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17th Circuit Court	24	24	0	\$2,237.52	\$0.00
KC Facilities Management	128	149	21	\$13,891.27	\$1,957.83
City of GR	130	126	-4	\$11,746.98	(\$372.92)
Total	282	299	17	\$27,875.77	\$1,584.91
* Current Market Rate is \$154 monthly, City/County Contractual Rate is \$60.77 monthly					



Van Andel Arena® /
DeVos Place

MEMORANDUM

To: CAA Finance Committee
CAA Board of Directors

From: Richard MacKeigan – Regional General Manager

Date: January 23, 2018

Re: FY 2018 Budget Amendment for Michigan Street Dock Doors

I am requesting approval to amend the current FY (2018) budget to include \$500,000 for the replacement of the dock doors on the Michigan Street side of DeVos Place®. The CAA originally approved \$1,000,000 for the current FY 2018 to replace dock door #6 only. Upon further research by SMG staff, it was determined that all of the dock doors could be replaced for \$1.5 million. The \$500,000 represents the additional funds necessary for the entire project. There is a savings of approximately \$200,000 to have all the work done at one time versus at two separate times.

The project will be initiated this fiscal year, but most likely will be a carry-over project into FY 2019, as the bulk of the work will be completed this summer. I am envisioning the project price to come in under the total \$1.5 million expense.

ACTION REQUESTED: Amend the FY 2018 budget to include \$500,000 for the replacement of all dock doors on the Michigan Street side of DeVos Place®.

Please let me know if there are any questions.



Memorandum

To: CAA Board of Directors
From: Steve Heacock, Chair
Date: January 17, 2017
Re: DeVos Performance Hall Recognition Signage

It is well known that Miner S. and Mary Ann Keeler have been significantly involved in the arts community since the 1950's. Mary Ann was on the board of directors of the Grand Rapids Symphony from 1952 to 1970, and organized the Grand Rapids Symphony Adult Choir in 1962. Mary Ann played a leadership role in the development of the original convention center and performance hall, and in 1965 she and her husband gave the first significant gift (\$500,000) for the new auditorium/music hall facility (Welsh Auditorium). In 1976, Mary Ann pledged another \$500,000 towards funding of a new convention/entertainment complex (the Grand Center). Miner and Mary Ann funded the Keeler Lobby in DeVos Performance Hall and commissioned California artist Alexis Smith's "The Grand" for the Lobby. In 2001, the Keelers gifted \$1 million to DeVos Place® convention center.

Based on the Keeler's generosity, their leadership in downtown revitalization, and promotion of public art, I recommend that recognition signage be installed in the foyer of DeVos Performance Hall as shown in the attached renderings. The current signs in the Keeler Lobby actually refer to Ruby Keeler, who was a Canadian-born American actress, dancer and singer. Grand Action wholly supports this recognition signage. Progressive AE has reviewed the renderings and has agreed the signage is in keeping with the current fixtures and finishes of the Hall.

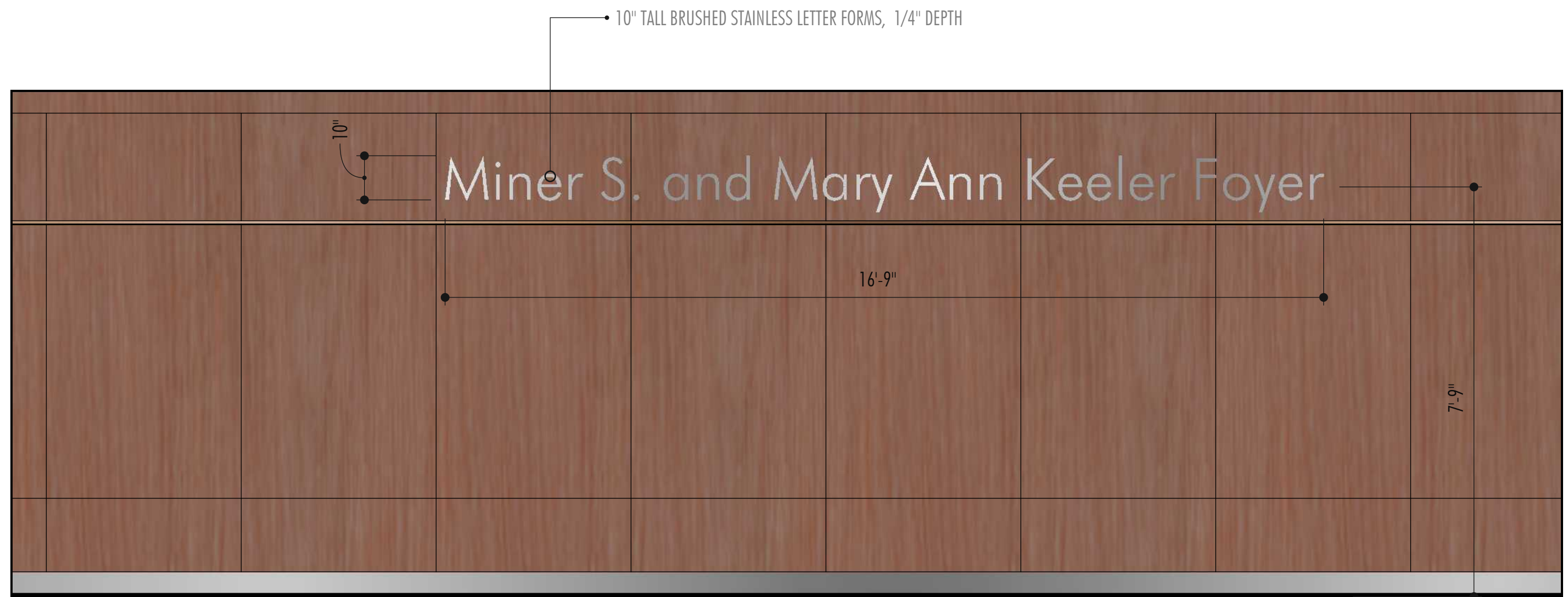
SMG has acquired cost estimate and this work could be completed for under \$5,000. Installation of the signage would not be disruptive to business and completion is expected within the next couple of months.

Action requested: Approve recognition signage and authorize SMG to initiate production and installation of the signage, with the intent to host an appreciation event for Mrs. Keeler to unveil the signage once complete.

• 10" TALL BRUSHED STAINLESS LETTER FORMS, 1/4" DEPTH



concept C - center of wall



concept C - center of wall