



Agenda

Board of Directors

Friday, February 7, 2020
Following CAA Finance Committee Meeting
Kent County Commission Chambers
300 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|-----|---|----------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of January 10, 2020 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Experience Grand Rapids Update | Mary Manier |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending December 31, 2019 | Action |
| | ii. SMG December 2019 Financial Statements – DeVos Place® and Van Andel Arena® | Information |
| | iii. Second Quarter Capital Update | Information |
| | iv. Auto Parking System Periodic Reporting | Information |
| 4. | Third Amendment to Memorandum of Agreement with Wine & Food Festival, LLC | Action |
| 5. | Amendment to Marketing Services Agreement | Action |
| 6. | Resolution Approving Annual Contribution to Deferred Compensation Plan | Action |
| 7. | Resolution Approving and Authorizing Execution of Addendum I to Amendment to Lease Agreement with Amway Hotel Corporation | Action |
| 8. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 9. | Public Comment | |
| 10. | CAA Board Member Comments | |
| 11. | Adjournment | |

Next Meeting Date: Friday, April 3, 2020

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
300 MONROE AVENUE, NW | GRAND RAPIDS, MI
Friday, January 10, 2020**

Attendance

Members Present: Steve Heacock, Chairperson
Rosalynn Bliss
Lew Chamberlin
Birgit Klohs
Charlie Secchia
Richard Winn

Members Absent: Floyd Wilson, Jr.

Staff/Others:	Wayman Britt	Kent County
	Hilarie Carpenter	ASM Global
	Tim Gortsema	Grand Rapids Griffins
	Chris Knape	K Corner Consulting
	Mary Manier	Experience Grand Rapids
	Brian McVicar	<i>The Grand Rapids Press/MLive</i>
	Doug Small	Experience Grand Rapids
	Emily Syrewicz	Opera Grand Rapids
	Eddie Tadlock	ASM Global
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	Richard Wendt	Dickinson Wright

1. Call to Order

Chairperson, Steve Heacock, called the meeting to order at 8:01 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes. Chair Heacock amended the agenda to include a Proof of Concept Task Force Update, as item 3A.

2. Minutes of Prior Meeting

Motion by Mr. Chamberlin, support by Ms. Bliss, to approve the December 6, 2019, Minutes. Motion carried.

3. Election of Officers

Motion by Mr. Chamberlin, support by Mr. Secchia, to elect the slate of officers as recommended: Chairperson-Steve Heacock; Vice Chairperson-Birgit Klohs; and Secretary/Treasurer-Richard Winn, for terms expiring January 2022. Motion carried.

3A. Proof of Concept Task Force Update

Mr. Chris Knape reported that the Task Force has re-engaged HVS to update its feasibility study based on new assumptions and new data. HVS anticipates providing the update later this month. The Task Force

is working with CitiGroup on an updated financial model based on the new data. Next steps include setting up informational sessions with City and County leadership. Chair Heacock stated that a small contingent visited the Columbus, Ohio hotel and convention center. The Columbus convention center has several unique amenities that we may incorporate. The hotel has 1,500 rooms and they are adding a 500-room tower on top of the convention center, a model like what we are planning. Mayor Bliss requested a status update on the amphitheater. Chair Heacock stated that the Task Force is considering possible locations and project partners. The Task Force has looked at potential sites suggested by the City, the County, and the Right Place. The project may not require bonding by the City or County; however, CAA reserves would likely be needed to help finance the project.

4. Committee Reports

A. Operations Committee

Mr. Chamberlin stated that there was nothing new or additional to report.

B. Finance Committee

i. Acceptance of November 2019 Consolidated Financial Statement

Mr. Winn presented the consolidated financial report for the period ended November 30, 2019. The dashboard showed that 16 concerts generated \$1,366,825 in event revenue, an increase of +7.6% from prior year (14 concerts) of \$1,270,756. The budget summary shows that net proceeds of \$910,094 increased by +8.2% from prior year of \$841,066. Convention/trade show business generated \$885,144 in event revenue, a decrease of (26.6%) from prior year (attendance decreased from 63,434 to 55,613) of \$1,205,229. The budget summary shows that net proceeds of +\$26,982 decreased by (92.4%) from prior year net proceeds of +\$354,320. Several board members asked for information and analysis regarding the apparent decrease in activity at DeVos Place. Since no one who could answer the question was in attendance, the information will be provided to the Directors at or prior to the next meeting.

Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the November 2019 Consolidated Financial Statements. Motion carried.

ii. SMG August 2019 Van Andel Arena® and DeVos Place® Financial Statements

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

5. SMG Report and Facilities Calendars

Mr. Tadlock presented an update on the calendar of events scheduled for the buildings.

6. Public Comment

None.

7. CAA Board Member Comments

Chair Heacock will be sending Board members an email seeking input on Rich MacKeigan's annual performance review, as required by 2018 Nonqualified Deferred Compensation Plan.

8. Adjournment

The meeting adjourned at 8:35 a.m. The next CAA Board meeting is Friday, February 7, 2020.

Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report**

December 31, 2019

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**Financial Dashboard
Year-To-Date (6 Months)
December 31, 2019**

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	38	37	45	17	19	19
Attendance	268,879	282,800	282,277	148,925	160,000	156,293
Event Income	\$ 1,854,416	\$ 2,274,052	\$ 1,998,308	\$ 1,573,557	\$ 1,831,295	\$ 1,629,419
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	255	259	262	97	88	68
Attendance	250,238	270,650	240,817	74,834	86,050	68,613
Event Income	\$ 3,002,604	\$ 3,099,967	\$ 2,973,848	\$ 1,380,228	\$ 1,245,800	\$ 1,097,583
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 1,273,091	\$ 1,062,536	\$ 529,617
Capital/Repair/Replacement				(1,905,297)	(2,095,851)	(1,890,532)
Net - To/(From) on Fund Balance				\$ (632,206)	\$ (1,033,315)	\$ (1,360,915) ⁽¹⁾

*NOTES: (1):

Unrestricted Fund Balance (preliminary) @ June 30, 2019 \$ 24,268,985

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2020

	FY 2020				FY 2019
	7/1 - 12/31				
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 3,218,911	\$ 3,320,586	\$ 6,539,497	\$ 6,261,150	\$ 8,797,609
- Expenses - Facilities	(2,060,285)	(2,392,500)	(4,452,785)	(4,467,311)	(4,523,497)
- Base Management Fees	(89,631)	(89,632)	(179,263)	(179,969)	(176,440)
- Incentive Fee	-	(125,497)	(125,497)	(118,412)	(196,210)
Net Operating Income (Loss)	1,068,995	712,957	1,781,952	1,495,458	3,901,462
Parking	181,410	209,590	391,000	409,000	368,000
Pedestrian Safety	(38,338)	(100,662)	(139,000)	(97,400)	(130,605)
Net Proceeds (Cost) of VAA	1,212,067	821,885	2,033,952	1,807,058	4,138,857
DeVos Place Convention Center					
Operating - Revenues	3,010,083	4,030,903	7,040,986	6,697,333	7,306,195
- Expenses - Facilities	(3,374,284)	(3,359,312)	(6,733,596)	(6,672,635)	(7,107,159)
- Base Management Fees	(89,631)	(89,632)	(179,263)	(179,969)	(176,440)
- Incentive Fee	-	(232,729)	(232,729)	(241,526)	(151,879)
Net Operating Income (Loss)	(453,832)	349,230	(104,602)	(396,797)	(129,283)
Parking	488,771	643,229	1,132,000	1,285,730	1,336,967
Pedestrian Safety	(16,273)	(42,727)	(59,000)	(51,500)	(63,017)
Net Proceeds (Cost) of DVP	18,666	949,732	968,398	837,433	1,144,667
Other					
Revenues	266,012	473,988	740,000	685,750	651,353 ⁽³⁾
Expenses	(967,128)	(581,160)	(1,548,288)	(1,637,828)	(974,663)
Net Other	(701,116)	(107,172)	(808,288)	(952,078)	(323,310)
Total Net Proceeds/Operating	529,617	1,664,445	2,194,062	1,692,413	4,960,214
Capital/Repair Expenditures	(1,890,532)	(2,899,054)	(4,789,586)	(4,994,905) ⁽²⁾	(4,294,340)
Results Net of Capital/Repair Expenditures	\$ (1,360,915)	\$ (1,234,609)	\$ (2,595,524)	\$ (3,302,492)	\$ 665,874

Notes:

⁽¹⁾ Third quarter updated full-year estimate provided at the May 1st Board meeting.

⁽²⁾ Includes budget amendment to provide for several capital project balances carried over from FY 19. See June 2019 consolidated financial report for details.

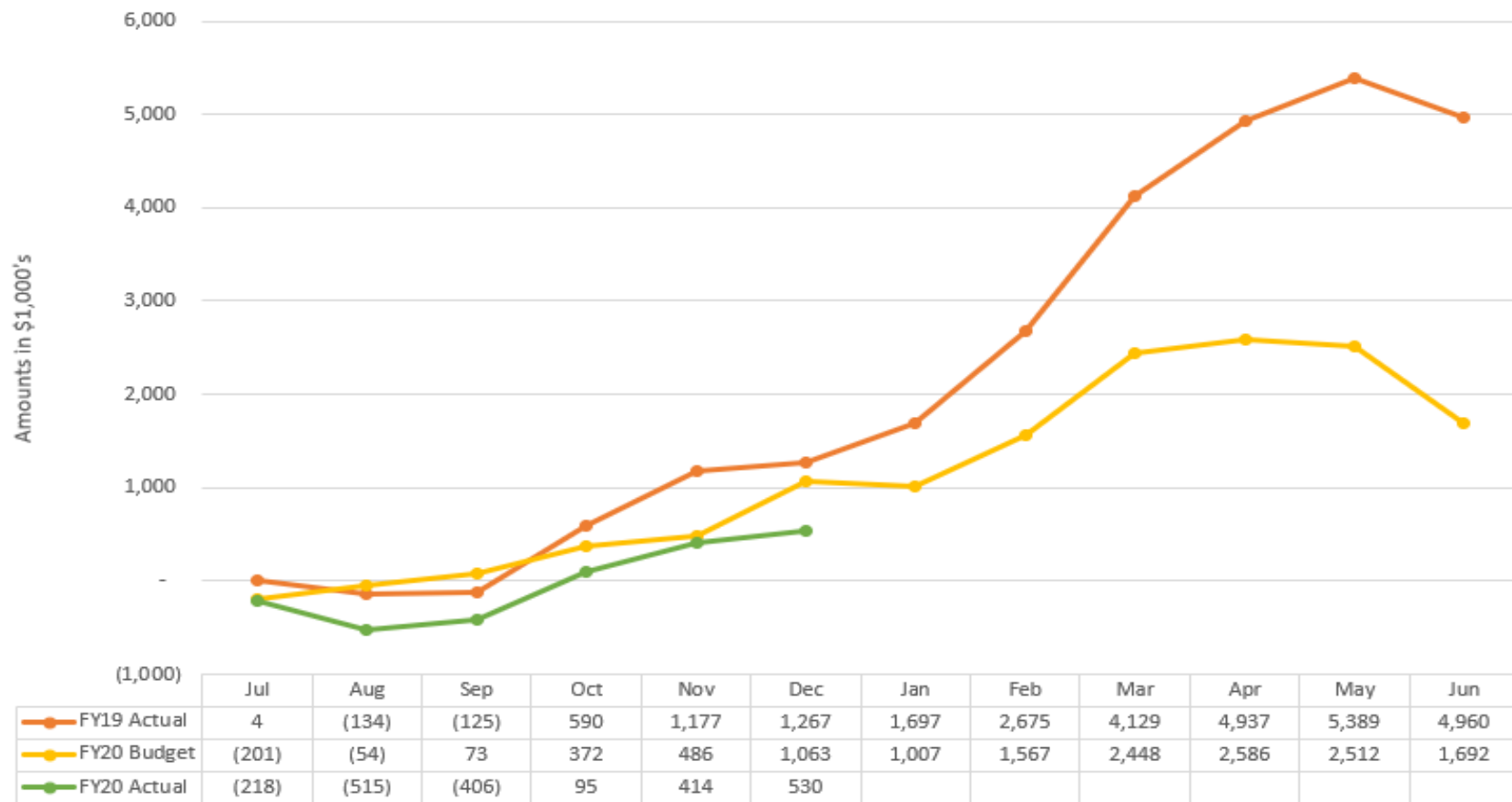
⁽³⁾ Excludes 4/4/19 deposit of \$5 million grant proceeds from State of Michigan.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2020

	Annual			Year-To-Date		
	FY 2019 Final	FY 2020 Budget	Change Positive (Negative)	FY 2019 7/1-12/31	FY 2020 7/1 - 12/31	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 8,797,609	\$ 6,261,150	(28.8)	\$ 3,136,866	\$ 3,218,911	2.6
- Expenses - Facilities	(4,523,497)	(4,467,311)	1.2	(2,056,641)	(2,060,285)	(0.2)
- Base Management Fees	(176,440)	(179,969)	(2.0)	(88,220)	(89,631)	(1.6)
- Incentive Fee	(196,210)	(118,412)	39.7	-	-	-
Net Operating Income (Loss)	3,901,462	1,495,458	(61.7)	992,005	1,068,995	7.8
Parking	368,000	409,000	11.1	170,082	181,410	6.7
Pedestrian Safety	(130,605)	(97,400)	25.4	(21,102)	(38,338)	(81.7)
Net Proceeds (Cost) of VAA	4,138,857	1,807,058	(56.3)	1,140,985	1,212,067	6.0
DeVos Place Convention Center						
Operating - Revenues	7,306,195	6,697,333	(8.3)	3,026,559	3,010,083	(0.5)
- Expenses - Facilities	(7,107,159)	(6,672,635)	6.1	(3,206,052)	(3,374,284)	(5.2)
- Base Management Fees	(176,440)	(179,969)	(2.0)	(88,220)	(89,631)	(1.6)
- Incentive Fee	(151,879)	(241,526)	(59.0)	-	-	-
Net Operating Income (Loss)	(129,283)	(396,797)	(206.9)	(267,713)	(453,832)	(69.5)
Parking	1,336,967	1,285,730	(3.8)	544,615	488,771	(10.3)
Pedestrian Safety	(63,017)	(51,500)	18.3	(10,929)	(16,273)	(48.9)
Net Proceeds (Cost) of DVP	1,144,667	837,433	(26.8)	265,973	18,666	(93.0)
Other						
Revenues	651,353	685,750	5.3	221,759	266,012	20.0
Expenses	(974,663)	(1,637,828)	(68.0)	(355,627)	(967,128)	(172.0)
Net Other	(323,310)	(952,078)	(194)	(133,868)	(701,116)	(423.7)
Total Net Proceeds/Operating	4,960,214	1,692,413	(65.9)	1,273,090	529,617	(58.4)
Capital/Repair Expenditures	(4,294,340)	(4,994,905)	(16.3)	(1,905,297)	(1,890,532)	(1.3)
Results Net of Capital Expenditures	\$ 665,874	\$ (3,302,492)	(496.0)	\$ (632,207)	\$ (1,360,915)	(115.3)

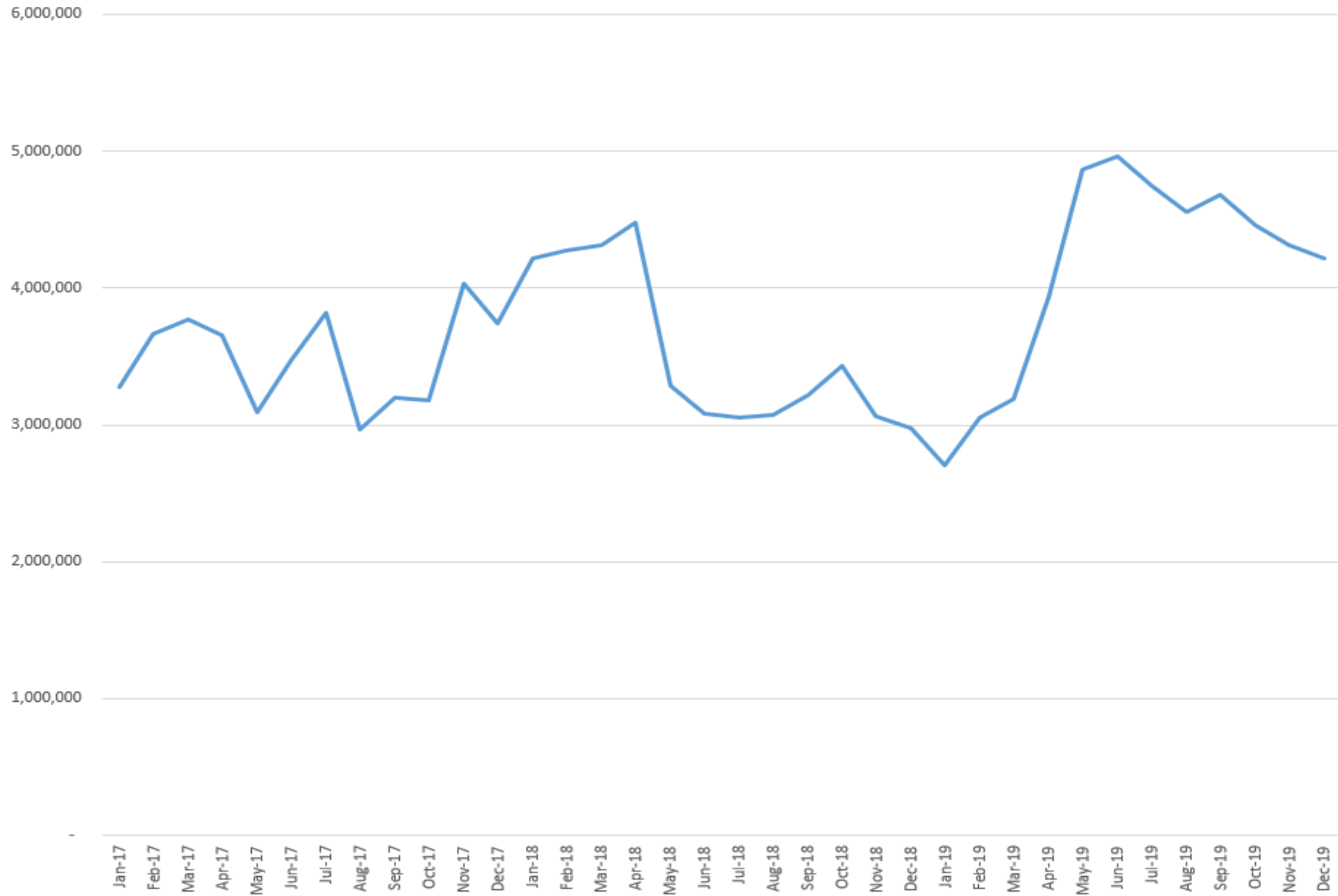
CAA Trends

Monthly Net Operating Proceeds through December 31, 2019



Accumulative Net Proceeds by Month

Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Nineteen concerts generated \$1,629,419 in event revenue, an increase of +3.6% from prior year (17 concerts) of \$1,573,557.
- Page 3 - Net proceeds of \$1,212,067 increased by +6.0% from prior year of \$1,140,985.

DeVos Place®

- Page 1 - Convention/trade show business generated \$1,097,583 in event revenue, a decrease of (20.5%) from prior year (attendance decreased from 74,834 to 68,613) of \$1,380,228.
- Page 3 - Net "proceeds" of +\$18,666 decreased by (93.0%) from prior year Net Proceeds of +\$265,974.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
December 31, 2019

	Annual			Actual		
	FY 2019	FY 2020	Change	FY 2019	FY 2020	Change
	Final	Budget	Positive	7/1-12/31	7/1-12/31	Positive
			(Negative)			(Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 580,124 ⁽¹⁾	\$ 564,750	(2.7)	\$ 221,759	\$ 266,012	20.0
Miscellaneous	71,229	121,000	69.9	-	-	-
	651,353	685,750	5.2	221,759	266,012	20.0
Expenses						
Marketing (CVB/Sports)	200,000	200,000	-	66,667	66,667	-
Diversity Initiative	231,339	275,000	(18.9)	12,331	131,205	(964.0)
Wages/Benefits	144,774	148,815	(2.8)	56,587	56,589	-
Professional Services	69,606	80,000	(14.9)	32,535	54,992	(69.0)
DID Assessment	62,616	64,500	(3.0)	62,616	65,284	(4.3)
Food & Beverage Repairs	14,095	40,000	(183.8)	-	-	-
Consulting Services	159,794	689,513 ⁽²⁾	(331.5)	55,187	537,673	(874.3)
Landscaping	26,134	25,000	4.3	11,340	11,785	(3.9)
Procurement of Art	26,904	30,000	(11.5)	26,214	2,105	(92.0)
Insurance	21,457	25,000	(16.5)	21,457	23,676	(10.3)
Supplies/Other	17,944	60,000	(234.3)	10,693	17,152	(60.4)
	974,663	1,637,828	(68.0)	355,627	967,128	(172.0)
Net Proceeds - Operating	<u>\$ (323,310)</u>	<u>\$ (952,078)</u>	<u>(194.5)</u>	<u>\$ (133,868)</u>	<u>\$ (701,116)</u>	<u>(423.7)</u>

Notes:

⁽¹⁾ Excludes 4/4/19 deposit of \$5 million grant proceeds from the State of Michigan.

⁽²⁾ SMG-\$54,290, \$50,000 DVP long-term capital study, and hotel project manager/other project consultants-\$85,223, and \$500,000-Proof of Concept Task Force - including the engagement of architects, costing experts, and geological experts.

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Amphitheater Project
Revenues/Expenses
4/4/19 to 12/31/19

Revenues:

State of Michigan Grant	\$ 5,000,000
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Expenses:

-

Net Balance

<u>\$ 5,000,000</u>

NOTES:

- MEDC Grant - West Michigan Amphitheater
- Grant Period: 1/1/19- 1/31/21
- Grant Activities: "Park/Playground Improvements"
- Interest credited to the operating account

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE MONTH ENDED DECEMBER 31, 2019**

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, 2020**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	262	250	512	487	25
ATTENDANCE	240,817	410,580	651,397	664,570	(13,173)
DIRECT EVENT INCOME	1,398,189	2,115,216	3,513,405	3,295,276	218,129
ANCILLARY INCOME	1,266,891	1,577,620	2,844,511	2,598,699	245,812
OTHER EVENT INCOME	308,767	309,708	618,475	753,358	(134,883)
TOTAL EVENT REVENUE	2,973,847	4,002,544	6,976,391	6,647,333	329,058
TOTAL OTHER REVENUE	36,235	28,360	64,595	50,000	14,595
TOTAL OPERATING REVENUE	3,010,082	4,030,904	7,040,986	6,697,333	343,653
INDIRECT EXPENSES					
EXECUTIVE	113,579	131,579	245,158	247,123	1,965
FINANCE	124,766	129,666	254,432	298,865	44,433
MARKETING	94,650	108,650	203,300	175,312	(27,988)
OPERATIONS	715,322	800,322	1,515,644	1,674,871	159,227
EVENT SERVICES	846,002	796,002	1,642,004	1,437,688	(204,316)
BOX OFFICE	147,828	55,828	203,656	190,715	(12,941)
SALES	243,076	278,276	521,352	522,328	976
OVERHEAD	1,178,693	1,148,620	2,327,313	2,305,702	(21,611)
TOTAL OPERATING EXP.	3,463,915	3,448,943	6,912,859	6,852,604	(60,255)
NET REVENUE ABOVE EXPENSES	(453,833)	581,961	128,127	(155,271)	283,398
INCENTIVE FEE		232,729	232,729	241,526	8,797
NET OPERATING REVENUE OVER OPERATING EXPENSES	(453,833)	349,232	(104,602)	(396,797)	292,195

Comments:

The half way point of the fiscal year sees DeVos Place still performing a little behind budget and prior year overall, however, it is anticipated that the gap will close over the second half of the fiscal year and will conclude with a positive net revenues above expenses.


General Manager


Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2020

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 2019
Number of Events	38	36	38
Attendance	61,382	53,600	61,219
Direct Event Income	\$273,477	\$287,825	\$234,068
Ancillary Income	205,030	198,088	193,993
Other Event Income	110,598	156,000	133,083
Other Operating Income	7,831	4,166	2,001
Indirect Expenses	(590,282)	(571,051)	(638,971)
Net Income	\$6,653	\$75,028	(\$75,826)

YTD	YTD 2020 Actual	YTD 2020 Budget	YTD 2019 Prior Year
Number of Events	262	259	255
Attendance	240,817	270,650	250,238
Direct Event Income	\$1,398,189	\$1,467,900	\$1,342,144
Ancillary Income	1,266,891	1,276,817	1,290,292
Other Event Income	308,767	355,250	370,168
Other Operating Income	36,235	24,996	23,955
Indirect Expenses	(3,463,915)	(3,426,306)	(3,294,272)
Net Income	(\$453,834)	(\$301,343)	(\$267,712)

EVENT INCOME

Direct event income came in at expected levels for the month overall with the shortfall coming from an anticipated family show that decided not to play in December.

ANCILLARY INCOME

Ancillary income came in at expected levels overall for the month with catering revenues helping offset lower than expected concessions.

INDIRECT EXPENSES

Indirect expenses came in consistent with budget overall and continue to run consistent with year to date budget.

DeVos Place
Income Statement
For the Six Months Ended December 31, 2019

	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	\$299,597	\$285,681	\$ 13,916	\$289,305	\$1,613,305	\$1,588,950	\$ 24,355	\$1,649,543
Service Revenue	444,430	255,884	188,546	329,857	1,921,780	1,423,222	498,558	1,720,983
Service Expenses	(470,550)	(253,740)	(216,810)	(385,094)	(2,136,896)	(1,544,272)	(592,624)	(2,028,382)
Total Direct Event Income	273,477	287,825	(14,348)	234,068	1,398,189	1,467,900	(69,711)	1,342,144
Ancillary Income								
F&B Concession	25,472	32,205	(6,733)	25,264	104,695	108,860	(4,165)	107,555
F&B Catering	57,640	46,570	11,070	46,657	438,545	444,950	(6,405)	483,226
Novelty Sales	9,669	6,400	3,269	1,374	22,562	21,200	1,362	21,795
Booth Cleaning	23,896	24,330	(434)	23,337	127,867	148,270	(20,403)	126,166
Telephone/Long Distance	0	-	-	0	0	350	(350)	338
Electrical Services	44,538	44,782	(244)	45,438	205,123	200,594	4,529	194,376
Audio Visual	10,027	12,016	(1,989)	21,214	187,693	176,924	10,769	187,083
Internet Services	8,908	5,090	3,818	2,709	67,037	57,873	9,164	61,475
Equipment Rental	24,879	26,695	(1,816)	28,000	113,370	117,796	(4,426)	108,278
Total Ancillary Income	205,029	198,088	6,941	193,993	1,266,892	1,276,817	(9,925)	1,290,292
Other Event Income								
Ticket Rebates(Per Event)	110,598	156,000	(45,402)	133,083	308,767	355,250	(46,483)	370,168
Total Other Event Income	110,598	156,000	(45,402)	133,083	308,767	355,250	(46,483)	370,168
Total Event Income	589,104	641,913	(52,809)	561,144	2,973,848	3,099,967	(126,119)	3,002,604
Other Operating Income								
Luxury Box Agreements	942	1,333	(391)	1,071	5,650	7,998	(2,348)	7,531
Advertising	1,333	1,000	333	0	4,000	6,000	(2,000)	0
Other Income	5,556	1,833	3,723	930	26,585	10,998	15,587	16,424
Total Other Operating Income	7,831	4,166	3,665	2,001	36,235	24,996	11,239	23,955
Adjusted Gross Income	596,935	646,079	(49,144)	563,145	3,010,083	3,124,963	(114,880)	3,026,559
Operating Expenses								
Salaries and Wages	528,541	359,752	168,789	442,756	2,545,415	2,158,512	386,903	2,315,578
Payroll Taxes and Benefits	131,566	105,577	25,989	120,904	514,117	633,462	(119,345)	485,798
Labor Allocations to Events	(405,945)	(216,387)	(189,558)	(338,244)	(1,676,630)	(1,298,322)	(378,308)	(1,547,604)
Net Salaries and Benefits	254,162	248,942	5,220	225,416	1,382,902	1,493,652	(110,750)	1,253,772
Contracted Services	44,880	23,692	21,188	43,012	247,208	142,152	105,056	240,487
General and Administrative	39,685	34,502	5,183	51,676	315,473	207,012	108,461	204,974
Operations	24,922	13,613	11,309	4,940	119,933	81,678	38,255	65,570
Repair and Maintenance	55,514	47,100	8,414	62,279	346,008	282,600	63,408	309,935
Operational Supplies	35,008	24,675	10,333	55,312	137,661	148,050	(10,389)	189,019
Insurance	28,411	20,463	7,948	23,294	129,420	122,778	6,642	109,718
Utilities	92,761	143,067	(50,306)	158,339	695,679	858,402	(162,723)	832,577
SMG Management Fees	14,939	14,997	(58)	14,703	89,631	89,982	(351)	88,220
Total Operating Expenses	590,282	571,051	19,231	638,971	3,463,915	3,426,306	37,609	3,294,272
Net Income(Loss) From Operati	6,653	75,028	(68,375)	(75,826)	(453,832)	(301,343)	(152,489)	(267,712)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	6,653	75,028	(68,375)	(75,826)	(453,832)	(301,343)	(152,489)	(267,712)

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Six Months Ended December 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	68	88	68,613	86,050	1,097,583	1,245,800
Consumer/Gated Shows	8	7	23,722	41,200	151,838	159,780
DeVos Performance Hall	73	70	108,328	104,100	877,390	900,030
Banquets	21	21	16,455	17,930	223,099	263,899
Meetings	64	66	13,785	17,550	508,384	501,400
Other	28	7	9,914	3,820	115,553	29,060
GRAND TOTALS	262	259	240,817	270,650	2,973,848	3,099,967

As Percentage of Overall

Convention/Trade Shows	25.95%	33.98%	28.49%	31.79%	36.91%	40.19%
Consumer/Gated Shows	3.05%	2.70%	9.85%	15.22%	5.11%	5.15%
Devos Performance Hall	27.86%	27.03%	44.98%	38.46%	29.50%	29.03%
Ballroom Exclusive	8.02%	8.11%	6.83%	6.62%	7.50%	8.51%
Meetings	24.43%	25.48%	5.72%	6.48%	17.10%	16.17%
Other	10.69%	2.70%	4.12%	1.41%	3.89%	0.94%

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**DeVos Place
Balance Sheet
As of December 31, 2019**

ASSETS

Current Assets

Cash	6,348,476
Account Receivable	1,120,758
Prepaid Expenses	419,293

Total Current Assets

\$7,888,527

Total Assets

\$7,888,527

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	125,250
Accrued Expenses	261,185
Deferred Income	304,726
Advanced Ticket Sales & Deposits	6,233,883

Total Current Liabilities

\$6,925,044

Other Liabilities

Equity

Funds Remitted to CAA	-
Funds Received by CAA	(18,000)
Expenses Paid Direct by CAA	630,432
Beginning Balance Equity	814,555
Current Year Equity	(463,504)

Total Equity

\$963,483

Total Liabilities and Equity

\$7,888,527

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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2019

Current - Under 30 Days	
Food & Beverage	83,112
Ticketing	20,525
Merchandise	9,668
Decorating	23,896
Audio/Visual	10,027
Van Andel Arena	166,726
Operating	644,182
 Over 30 Days	 89,900
 Over 60 Days	 72,722
 Over 90 Days	
 Total Accounts Receivable	 1,120,758

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2020**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Net Revenue above Expenses	1,907,449	128,127	2,035,576	4,073,725
Benchmark++			1,050,000	1,050,000
Excess	1,907,449	128,127	985,576	3,023,725

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Base Fee	179,263	179,263	358,526	352,880
Incentive Fee				
Revenue	6,539,497	7,040,986	13,580,483	16,224,257
Benchmark Revenue	5,232,400	4,622,800	9,855,200	9,700,000
Revenue Excess	1,307,097	2,418,186	3,725,283	6,524,257
Incentive Fee **	125,797	232,729	358,526	352,880
Total SMG Management Fee	305,060	411,992	717,052	705,760

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

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

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

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

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



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE MONTH ENDED DECEMBER 31, 2019

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, 2020

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	36	63	99	94	5
ATTENDANCE	215,831	389,000	604,831	607,300	(2,469)
DIRECT EVENT INCOME	498,224	837,525	1,335,749	1,388,670	(52,921)
ANCILLARY INCOME	935,492	976,205	1,911,697	1,609,280	302,417
OTHER EVENT INCOME	564,592	356,500	921,092	869,100	51,992
TOTAL EVENT INCOME	1,998,308	2,170,230	4,168,538	3,867,050	301,488
TOTAL OTHER INCOME	1,220,603	1,150,356	2,370,959	2,394,100	(23,141)
TOTAL INCOME	3,218,911	3,320,586	6,539,497	6,261,150	278,347
INDIRECT EXPENSES					
EXECUTIVE	106,806	117,952	224,758	257,147	32,389
FINANCE	119,890	105,290	225,180	235,619	10,439
MARKETING	155,558	175,104	330,662	321,220	(9,442)
OPERATIONS	969,425	1,136,079	2,105,504	2,094,079	(11,425)
BOX OFFICE	70,229	194,729	264,958	296,573	31,615
LUXURY SEATING	-	-	-	-	-
SKYWALK ADMIN	23,816	30,284	54,100	54,100	-
OVERHEAD	704,193	722,693	1,426,886	1,388,542	(38,344)
TOTAL INDIRECT EXP.	2,149,916	2,482,131	4,632,048	4,647,280	15,232
NET REVENUE ABOVE EXPENSES	1,068,995	838,455	1,907,449	1,613,870	293,579
LESS INCENTIVE FEE		125,497	125,497	118,412	(7,085)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,068,995	712,958	1,781,952	1,495,458	286,494

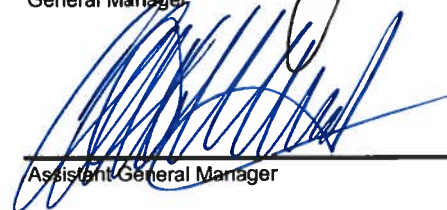
Comments:

December concludes the first half of the fiscal year with event activity continuing to be very strong and expenses remaining consistent with both budget and prior year.

Event activity looks to remain strong through the balance of the fiscal year and the forecast projects net revenues above expenses to be around \$2 million at the end of the year.



General Manager



Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2020**

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 2019
Number of Events	9	11	11
Attendance	66,446	80,800	76,610
Direct Event Income	\$175,476	\$262,595	\$135,346
Ancillary Income	147,324	171,085	169,452
Other Event Income	100,437	189,600	90,371
Other Operating Income	213,571	240,221	206,028
Indirect Expenses	(353,549)	(387,273)	(334,263)
Net Income	<u>\$283,259</u>	<u>\$476,228</u>	<u>\$266,934</u>

YTD	YTD 2020 Actual	YTD 2020 Budget	YTD 2019 Prior Year
Number of Events	45	37	38
Attendance	282,277	282,800	268,879
Direct Event Income	\$498,224	\$871,245	\$457,540
Ancillary Income	935,492	804,207	859,531
Other Event Income	564,592	598,600	537,345
Other Operating Income	1,220,603	1,300,076	1,282,450
Indirect Expenses	(2,149,916)	(2,323,638)	(2,144,861)
Net Income	<u>\$1,068,995</u>	<u>\$1,250,490</u>	<u>\$992,005</u>

EVENT INCOME

Event income finished below budget for the month as less concerts were hosted and the WWE event that was hosted in November was budgeted for December.

ANCILLARY INCOME

Ancillary income came in below budget due to the fewer events, however, per caps continue to be very strong.

INDIRECT EXPENSES

Indirect expenses came in below budget for the month and continue to come in lower than budget and consistent with prior year.

Van Andel Arena
Income Statement
For the Six Months Ended December 31, 2019

	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	\$279,684	\$347,395	(\$67,711)	\$256,367	\$907,990	\$1,224,045	(\$316,055)	\$704,147
Service Revenue	258,567	331,200	(72,633)	195,426	1,515,775	1,195,200	320,575	1,401,614
Service Expenses	(362,775)	(416,000)	53,225	(316,447)	(1,925,541)	(1,548,000)	(377,541)	(1,648,221)
Total Direct Event Income	175,476	262,595	(87,119)	135,346	498,224	871,245	(373,021)	457,540
Ancillary Income								
F&B Concession	125,810	138,037	(12,227)	144,915	752,258	673,659	78,599	697,856
F&B Catering	13,295	16,506	(3,211)	16,522	78,308	64,866	13,442	85,364
Novelty Sales	7,940	16,542	(8,602)	7,736	104,029	65,682	38,347	75,537
Booth Cleaning	279	-	279	279	802	-	802	279
Audio Visual	-	-	-	-	95	-	95	495
Other Ancillary	-	-	-	-	-	-	-	-
Total Ancillary Income	147,324	171,085	(23,761)	169,452	935,492	804,207	131,285	859,531
Other Event Income								
Ticket Rebates(Per Event)	100,437	189,600	(89,163)	90,371	564,592	598,600	(34,008)	537,345
Total Other Event Income	100,437	189,600	(89,163)	90,371	564,592	598,600	(34,008)	537,345
Total Event Income	423,237	623,280	(200,043)	395,169	1,998,308	2,274,052	(275,744)	1,854,416
Other Operating Income								
Luxury Box Agreements	141,681	182,138	(40,457)	137,045	847,082	951,578	(104,496)	906,257
Advertising	56,680	52,083	4,597	56,680	323,768	312,498	11,270	322,865
Other Income	15,210	6,000	9,210	12,303	49,753	36,000	13,753	53,328
Total Other Operating Income	213,571	240,221	(26,650)	206,028	1,220,603	1,300,076	(79,473)	1,282,450
Adjusted Gross Income	636,808	863,501	(226,693)	601,197	3,218,911	3,574,128	(355,217)	3,136,866
Operating Expenses								
Salaries and Wages	194,491	197,102	(2,611)	164,488	1,233,208	1,182,612	50,596	1,146,363
Payroll Taxes and Benefits	33,425	57,957	(24,532)	31,528	176,160	347,742	(171,582)	178,799
Labor Allocations to Events	(103,875)	(87,885)	(15,990)	(83,105)	(565,348)	(527,310)	(38,038)	(510,146)
Net Salaries and Benefits	124,041	167,174	(43,133)	112,911	844,020	1,003,044	(159,024)	815,016
Contracted Services	24,414	23,800	614	24,305	156,396	142,800	13,596	160,699
General and Administrative	58,290	33,598	24,692	54,564	288,078	201,588	86,490	252,294
Operations	2,578	7,899	(5,321)	3,451	32,014	47,394	(15,380)	39,265
Repair and Maintenance	26,802	30,875	(4,073)	10,292	128,187	185,250	(57,063)	161,782
Operational Supplies	15,365	21,558	(6,193)	7,759	122,571	129,348	(6,777)	124,070
Insurance	21,933	14,739	7,194	21,466	100,787	88,434	12,353	82,489
Utilities	65,187	72,633	(7,446)	84,812	388,232	435,798	(47,566)	421,026
SMG Management Fees	14,939	14,997	(58)	14,703	89,631	89,982	(351)	88,220
Total Operating Expenses	353,549	387,273	(33,724)	334,263	2,149,916	2,323,638	(173,722)	2,144,861
Net Income(Loss) From Operations	283,259	476,228	(192,969)	266,934	1,068,995	1,250,490	(181,495)	992,005
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	283,259	476,228	(192,969)	266,934	1,068,995	1,250,490	(181,495)	992,005

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Six Months Ended December 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show						
Sporting Event	1	1	3,691	6,200	50,300	12,100
Concert	19	19	156,293	160,000	1,629,419	1,831,295
Team Home Games	16	13	87,404	80,600	88,289	178,204
Other	9	4	34,889	36,000	230,300	252,453
GRAND TOTALS	45	37	282,277	282,800	1,998,308	2,274,052
As Percentage of Overall						
Family Show	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sporting Event	2.22%	2.70%	1.31%	2.19%	2.52%	0.53%
Concert	42.22%	51.35%	55.37%	56.58%	81.54%	80.53%
Team Home Games	35.56%	35.14%	30.96%	28.50%	4.42%	7.84%
Other	20.00%	10.81%	12.36%	12.73%	11.52%	11.10%

Van Andel Arena
Balance Sheet
As of December 31, 2019

ASSETS

Current Assets

Cash	13,465,024
Account Receivable	195,064
Prepaid Expenses	169,000

Total Current Assets	\$13,829,088
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Total Assets	\$13,829,088
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	1,758,866
Accrued Expenses	233,517
Deferred Income	2,410,977
Advanced Ticket Sales & Deposits	11,337,151

Total Current Liabilities	\$15,740,511
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Other Liabilities

Equity

Funds Remitted to CAA	(3,385,750)
Expenses Paid Direct by CAA	339,222
Beginning Balance Equity	66,110
Current Year Equity	1,068,994

Total Equity	(\$1,911,424)
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Total Liabilities and Equity	\$13,829,088
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2019

Current - Under 30 Days	
Food & Beverage	232,029
Ticketing	23,646
Merchandise	6,779
Permanent Advertising	-
DeVos Place	(166,727)
Operating	76,739
 Over 30 Days	 13,476
 Over 60 Days	 9,122
 Over 90 Days	
 Total Accounts Receivable	 195,064

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2020**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Net Revenue above Expenses	1,907,449	128,127	2,035,576	4,073,725
Benchmark++			1,050,000	1,050,000
Excess	1,907,449	128,127	985,576	3,023,725

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Base Fee	179,263	179,263	358,526	352,880
Incentive Fee				
Revenue	6,539,497	7,040,986	13,580,483	16,224,257
Benchmark Revenue	5,232,400	4,622,800	9,855,200	9,700,000
Revenue Excess	1,307,097	2,418,186	3,725,283	6,524,257
Incentive Fee **	125,797	232,729	358,526	352,880
Total SMG Management Fee	305,060	411,992	717,052	705,760

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

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

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

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

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

Grand Rapids-Kent County Convention/Arena Authority
Van Andel Arena/DeVos Place
Capital Budget 2020
J. Oppenneer
ROLLING FORECAST AS OF December 31, 2019

Item #	Project	Budget	Actual Thru 2nd Quarter	Estimated 3rd Quarter	Estimated 4th quarter	Estimated Total 2019	(Over)/Under Budget	Estimated Carry to 2020
CARRYOVER								
6200.25	Aisle Lights to LED					\$ -	\$ -	
6200.27	New Roof	\$ 89,952.00	\$ 89,952.00			\$ 89,952.00	\$ -	
6200.32	Landscaping	\$ 440,148.50	\$ 440,148.50			\$ 440,148.50	\$ -	
6200.35B	Security Office & Lobby Changes	\$ 4,211.06	\$ 4,211.06			\$ 4,211.06	\$ -	
6200.36	Airwall Fabric Replacement	\$ 71,485.00	\$ 71,485.00			\$ 71,485.00	\$ -	
6200.37	Elevator Modernization	\$ 53,055.00	\$ 18,500.00	\$ 23,173.00		\$ 41,673.00	\$ 11,382.00	
6200.41	OSHA Safety Changes	\$ 23,426.00	\$ 23,426.00			\$ 23,426.00	\$ -	
6200.44	New Computers	\$ 64,227.33	\$ 1,761.41			\$ 1,761.41	\$ 62,465.92	
6200.45	New Phone System	\$ 144,918.54	\$ 7,782.00	\$ 137,126.54		\$ 144,918.54	\$ -	
DE VOS PLACE								
	Additional Furniture	\$ 50,000.00	\$ 16,757.00	\$ 795.07	\$ 32,447.93	\$ 50,000.00	\$ -	
	Carpet: Keeler Lobby	\$ 54,300.00		\$ 27,150.00	\$ 27,150.00	\$ 54,300.00	\$ -	
	Carpet: Performance Hall	\$ 289,280.00		\$ 144,640.00	\$ 144,640.00	\$ 289,280.00	\$ -	
	Carpet: Chase Boardroom	\$ 26,020.00			\$ 26,020.00	\$ 26,020.00	\$ -	
	Airwall Fabric Replacement	\$ 70,000.00	\$ 44,950.00		\$ 42,015.00	\$ 86,965.00	\$ (16,965.00)	
	Lyon Dock 4 Door Replacement	\$ 50,000.00	\$ 41,165.00			\$ 41,165.00	\$ 8,835.00	
	Projection Theater Upgrades	\$ 200,000.00			\$ 200,000.00	\$ 200,000.00	\$ -	
	OSHA Safety Changes	\$ 75,000.00		\$ 59,826.00	\$ 15,174.00	\$ 75,000.00	\$ -	
	Fly Rail System (Design)	\$ 250,000.00	\$ 35,738.33	\$ 11,761.67	\$ 202,500.00	\$ 250,000.00	\$ -	
	Lyon Street Landscaping	\$ 400,000.00			\$ 400,000.00	\$ 400,000.00	\$ -	
	Trash Compactor	\$ 45,000.00	\$ 46,175.00			\$ 46,175.00	\$ (1,175.00)	Done
	New Directional Screens	\$ 75,000.00	\$ 47,747.50	\$ 14,367.50		\$ 62,115.00	\$ 12,885.00	
	New Pads for Banquet Chairs	\$ 30,000.00		\$ 30,000.00		\$ 30,000.00	\$ -	
	Exhibit Hall Lighting & Controls	\$ 700,000.00	\$ 562,108.60	\$ 10,000.00		\$ 572,108.60	\$ 127,891.40	Done
	New Small Motor Equipment	\$ 50,000.00	\$ 36,671.65		\$ 13,328.35	\$ 50,000.00	\$ -	
VAN ANDEL ARENA								
	Suite Refresher	\$ 400,000.00		\$ 200,000.00	\$ 200,000.00	\$ 400,000.00	\$ -	
	Locker Room Upgrades	\$ 1,013,881.50	\$ 373,796.72	\$ 340,000.00	\$ 300,084.78	\$ 1,013,881.50	\$ -	
	Security Upgrades	\$ 50,000.00		\$ 11,350.54	\$ 38,649.46	\$ 50,000.00	\$ -	
	Skywalk: HVAC	\$ 275,000.00	\$ 28,146.34	\$ 175,000.00	\$ 71,853.66	\$ 275,000.00	\$ -	
						\$ -	\$ -	
						\$ -	\$ -	
TOTALS		\$ 4,994,904.93	\$ 1,890,532.11	\$ 1,185,190.32	\$ 1,713,863.18	\$ 4,769,585.61	\$ 205,319.32	\$ -



Memorandum

To: Richard A. Winn, Finance Committee Chairperson
CAA Board

From: Robert White

Subject: Auto Parking System Periodic Reporting

Date: January 15, 2020

The previously (6/9/17) 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 quarter (FY20) periodic report includes the following information:

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

The City currently holds 125 monthly passes.
The County currently holds 161 monthly passes.

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

The City increased the number of passes out by 2 between 10/1/19 and 12/31/19.
The County number of passes out remained unchanged between 10/1/19 and 12/31/19.

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 \$55.25.
The City currently holds 125 passes with a total annualized discount of \$148,125.
The County currently holds 161 passes with a total annualized discount of \$190,785.

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 Q2 FY19	Total Spaces End of Q3 FY 19	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	24	24	0	\$2,370.00	\$0.00
KC Facilities Management	137	137	0	\$13,528.75	\$0.00
City of GR	123	125	2	\$12,146.25	\$197.50
Total	284	286	2	\$28,045.00	\$197.50

*Current Market Rate is \$154 monthly, City/County Contractual Rate is \$55.25 monthly, effective 7/1/2019.

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
THIRD AMENDMENT TO MEMORANDUM OF UNDERSTANDING
WITH WINE & FOOD FESTIVAL, LLC RELATED TO PROMOTION OF
THE GRAND RAPIDS INTERNATIONAL WINE, BEER AND FOOD
FESTIVAL**

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) controls and operates DeVos Place (the “Facility”); and

WHEREAS, Wine & Food Festival, LLC (“WFF”) was formed by Show Michigan Corporation d/b/a ShowSpan, Inc. (“ShowSpan”) to promote and provide an annual wine, beer and food event at the Facility; and.

WHEREAS, the CAA and WFF have previously co-promoted and co-owned an annual wine, beer and food event at the Facility known as the “Grand Rapids International Wine, Beer & Food Festival” pursuant to a Memorandum of Understanding (the “Agreement”) dated as of September 15, 2008, and extended term of the Agreement to and through March 31, 2019, pursuant to a First Amendment to Memorandum of Understanding dated February 6, 2012 and a Second Amendment to Memorandum of Understanding dated as of April 1, 2016; and

WHEREAS, the CAA and WFF have determined to extend the term of the Agreement for an additional three years pursuant to a Third Amendment to Memorandum of Understanding (the “Third Amendment”).

NOW, THEREFORE, BE IT RESOLVED:

1. That the Third Amendment in the form presented at this meeting is approved and the Chairman is authorized and directed to execute the Third Amendment for and on behalf of the CAA.

2. That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager 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 Board of Directors of the CAA at a meeting held on February 7, 2020, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

THIRD AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS THIRD AMENDMENT TO UNDERSTANDING (the “Third Amendment”) dated as of April 1, 2019, is entered into by the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a statutory authority created pursuant to Section 203 of the Public Acts of Michigan of 1999 (the “CAA”), with offices located at 303 Monroe Avenue, N.W., Grand Rapids, Michigan 49503, and **WINE & FOOD FESTIVAL, LLC**, a Michigan limited liability company (“WFF”), with offices at 2121 Celebration Drive, N.E., Grand Rapids, Michigan 49525.

RECITALS

A. The CAA and WFF previously entered into a Memorandum of Understanding (the “Agreement”) dated as of September 15, 2008, to co-provide and co-own an annual wine and food event which, in addition to wineries now includes breweries and distilleries (the “WBF Event”) at DeVos Place (the “Facility”).

B. The initial term of the Agreement was three years ending March 31, 2011, and was extended an additional year by mutual agreement ending March 31, 2012.

C. The CAA and WFF also previously entered into (i) a First Amendment to Memorandum of Understanding dated February 6, 2012, that extended the term of the Agreement through and to March 31, 2016 and (ii) a Second Amendment to Memorandum of Understanding dated as of April 1, 2016, that extended the term of the Agreement through and to March 31, 2019.

D. The CAA and WFF have agreed to extend the Agreement term an additional three years.

NOW, THEREFORE, in consideration of the benefits each receives pursuant to this Third Amendment and the Agreement, the CAA and WFF agree as follows:

1. Extension of Term. The term of the Agreement is extended an additional three years ending March 31, 2022. The parties agree to co-promote the WBF Event at the Facility annually during the 2019, 2020 and 2021 calendar year in accordance with the terms and conditions of the Agreement.

2. Ratification. The Agreement is in all other respects ratified and confirmed.

IN WITNESS WHEREOF, the CAA and WFF have signed this Third Amendment effective as of the date set forth in the introductory paragraph hereof.

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

By: _____
Steven R. Heacock, Chairman

WINE & FOOD FESTIVAL, LLC

By: _____
John D. Loeks, Member

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
2019/2020 AMENDMENT TO MARKETING SERVICES AGREEMENT
WITH THE GRAND RAPIDS/KENT COUNTY CONVENTION AND
VISITORS BUREAU**

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

WHEREAS, THE Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) and the Grand Rapids/Kent County Convention and Visitors Bureau (the “CVB”) entered into a Marketing Services Agreement (the “Agreement”) dated as of July 1, 2009, pursuant to which the CVB is to market CAA operated facilities as sites for hosting conventions, seminars, business meetings, trade shows and similar activities and events; and

WHEREAS, the CAA and CVB have agreed to amend the Agreement pursuant to a 2019/2020 Amendment to Marketing Services Agreement (the “2019/2020 Amendment”), related to the compensation to be received by the CVB from CAA from performing the Services as described in the Agreement.

NOW, THEREFORE, BE IT RESOLVED:

1. That the 2019/2020 Amendment in the form presented at this meeting is approved and the CAA Executive Director is authorized and directed to execute the 2019/2020 Amendment for and on behalf of the CAA.
2. That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager 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 Board of Directors of the CAA at a meeting held on February 7, 2020, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

2019/2020 AMENDMENT TO MARKETING SERVICES AGREEMENT

THIS 2019/2020 AMENDMENT TO MARKETING SERVICES AGREEMENT (the “2019/2020 Amendment”) made as of July 1, 2019, between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan authority created pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended (the “CAA”) and the **GRAND RAPIDS/KENT COUNTY CONVENTION AND VISITORS BUREAU**, a Michigan non-profit corporation (the “CVB”).

RECITALS

- A. The CAA and the CVB entered into a Marketing Services Agreement (the “Agreement”) dated as of July 1, 2009, pursuant to which the CVB is to market the Van Andel Arena, DeVos Performance Hall and DeVos Place Convention Center as sites for hosting conventions, seminars, business meetings, trade shows and similar activities and events.
- B. The Agreement describes the method for the CAA to compensate the CVB for the services to be performed as described in the Agreement.
- C. The Agreement provides that it shall automatically be extended for successive one-year terms with such modifications as agreed to in writing with CAA and CVB.
- D. The CAA and CVB have agreed to modify the Agreement with respect to compensation to the CVB for services it performs.

NOW, THEREFORE, the CAA and CVB agree, in consideration for their respective representations and conditions contained in the Agreement, as follows:

Section 1. Amendment to Section 2 of Agreement. Section 2 of the Agreement is amended in its entirety to read as follows:

Section 2. Payment of the Payment Amount and Additional Payment Amount. Upon approval of the Action Plan for a fiscal year by the CAA, Executive Director as provided in Section 1 hereof, the CAA shall pay the DVB \$133,334 for such fiscal year (the “Payment Amount”), to assist in implementation of the Action Plan. In addition, the CAA shall pay the CVB an additional \$66,666 (the “Additional Payment Amount”), if the CVB initiated hotel/motel bookings exceeding the 90,000 room/night benchmark by 5% or greater for the annual period commencing on January 1 prior to the applicable fiscal year and ending December 31, during the fiscal year (e.g. January 1, 2019 through December 31, 2019 for FY 2019/2020) as documented to the satisfaction of the CAA Executive Director.

Section 2. Ratification. Except as otherwise amended by this 2019/2020 Amendment, the Agreement is hereby ratified and confirmed including its automatic extension of a one-year term beginning July 1, 2019, to and including June 30, 2020.

IN WITNESS WHEREOF, the CAA and CVB have caused these presents to be signed by their respective duly authorized person as of the day and year first written above.

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

By: _____
Richard MacKeigan
Executive Director

**GRAND RAPIDS/KENT COUNTY
CONVENTION AND VISITORS
BUREAU**

By: _____
Douglas Small
President

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

**RESOLUTION APPROVING THE ANNUAL CONTRIBUTION TO THE
GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY
2018 NONQUALIFIED DEFERRED COMPENSATION PLAN FOR
FISCAL YEAR ENDING JUNE 30, 2019**

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) established the Grand Rapids-Kent County Convention/Arena Authority 2018 Nonqualified Deferred Compensation Plan (the “Plan”) of which Richard MacKeigan (“MacKeigan”) is the sole participant; and

WHEREAS, even though the CAA prefunded the Plan, as permitted, the Plan requires that for each of the Plan’s five years, the Board credit a contribution of \$40,000 to MacKeigan’s account provided the Board of Directors of the CAA has determined that MacKeigan has fulfilled his obligations as identified in the Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. That it is determined that MacKeigan has fulfilled his obligations for the CAA’s fiscal year ended June 30, 2019, by (a) performing the duties and responsibilities identified in the Plan as set forth in the attached Attachment I and (b) performing such other specific duties and tasks assigned to him by the Board.
2. That a contribution of \$40,000 shall be credited to MacKeigan’s account.
3. That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager 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 Board of Directors of the CAA at a meeting held on February 7, 2020, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

ATTACHMENT I

Duties and Responsibilities

- Act on behalf of the CAA during discussions/negotiations regarding property used by the CAA or to be acquired or utilized by the CAA.
- Identify and develop Board workshops, networking and other opportunities to increase the CAA's effectiveness.
- Coordinate the strengthening of relationships of the CAA with the City of Grand Rapids, Kent County and the State of Michigan and at the federal government level, as appropriate.
- Oversee the CAA's parking operations at the Facilities.
- Assess, prioritize and develop CAA produced events to be held at the Facilities.
- Oversee the CAA Administrative Manager and other CAA employees and contracted personnel.
- Identify, prioritize and assist in the development of long range strategic policy initiatives.
- Work with the CAA public relations consultant to positively present the CAA to the media and the public generally.
- Represent the CAA on community boards, groups and committees.
- Review and approve invoices for CAA contracted services.
- Assist in the application and administration of governmental grants.
- Assist the auditors in the completion of the CAA's annual audit.
- Work with the CAA's community inclusion group in the development and promotion of the CAA's Diversity Mission Statement.
- Work on special projects as designated by the CAA such as the amphitheater, wine and food festival and the CAA's involvement in ArtPrize.
- Assist the CAA Board in its periodic review of the booking policies for the Facilities.
- Services relative to CAA efforts and consideration of expansion of the Convention Center, hotel development and other destination initiatives.

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
ADDENDUM I TO AMENDMENT TO GRAND RAPIDS CIVIC
AUDITORIUM AND CONVENTION ENTERTAINMENT CENTER
LEASE AGREEMENT WITH AMWAY HOTEL CORPORATION**

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) and the Amway Hotel Corporation (“AHC”) entered into an Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (the “Amendment”) dated December 11, 2003; and

WHEREAS, the term of the Lease Agreement was amended by the Amendment to extend its term to April 15, 2020; and

WHEREAS, the CAA and the AHC have agreed to extend the term of the Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED:

1. That Addendum I to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (“Addendum I”) between the CAA and AHC extending the term of the Lease Agreement to and including June 30, 2020, in the form presented at this meeting is approved and the Board Chairperson is authorized and directed to execute Addendum I for and on behalf of the CAA.

2. That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager 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 Board of Directors of the CAA at a meeting held on February 7, 2020, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 7, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

**ADDENDUM I TO AMENDMENT TO GRAND RAPIDS
CIVIC AUDITORIUM AND CONVENTION ENTERTAINMENT
CENTER LEASE AGREEMENT**

THIS ADDENDUM I TO AMENDMENT TO GRAND RAPIDS CIVIC AUDITORIUM AND CONVENTION ENTERTAINMENT CENTER LEASE AGREEMENT (“Addendum I”) is made as of February 7, 2020, by and between the **GRAND RAPIDS – KENT COUNTY CONVENTION/ARENA AUTHORITY**, as successor to the City of Grand Rapids (the “CAA”), and the **AMWAY HOTEL CORPORATION** (“AHC”).

RECITALS

A. The CAA and AHC entered into an Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (the “Amendment”) dated December 11, 2003.

B. Pursuant to the provisions of the Amendment, the term of the Lease Agreement was amended, extending it to April 15, 2020.

C. The CAA and AHC desire to extend the term of Lease Agreement.

NOW, THEREFORE, the CAA and AHC agree, in consideration for their respective representations and conditions in the Lease Agreement and the Amendment, as follows:

Section 1. Extension of Term of Lease Agreement. The term of the Lease Agreement is extended to and including June 30, 2020.

Section 2. Ratification. Except as otherwise amended by this Attachment I, the Lease Agreement and the Amendment are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CAA and AHC have caused these presents to be signed by their respective duly authorized person as of the day and year first written above.

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

By: _____
Steven Heacock, Chairperson

AMWAY HOTEL CORPORATION

By: _____

Its: _____