

Agenda

Board of Directors

**Remote Virtual Meeting
Friday, February 5, 2021
Following CAA Finance Committee Meeting**

- | | | |
|----|--|---------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of January 8, 2021 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Experience Grand Rapids Report | Mary Manier |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending December 31, 2020 | Action |
| | ii. December 31, 2020 Financial Statements – DeVos Place® and Van Andel Arena® - SMG, a Division of ASM Global | Information |
| | iii. Auto Parking System Periodic Reporting | Information |
| 4. | Resolution Approving and Authorizing the Execution of an Option Agreement To Purchase Real Estate with the City of Grand Rapids Related to the Potential Location of an Amphitheater at City-Owned Property at 201 Market Avenue, S.W. | Action |
| 5. | Update from SMG, a Division of ASM Global | |
| 6. | Public Comment | |
| 7. | Board Member Comments | |
| 8. | Adjournment | |

Next Meeting Date: Friday, April 2, 2021

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
REMOTE VIRTUAL MEETING
FRIDAY, JANUARY 8, 2021**

Attendance

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

Members Absent: None

Staff/Others:	Joe Agostinelli	Downtown Grand Rapids, Inc.
	Scott Atchison	Info Center GR
	Kathy Bart	ASM Global
	Wayman Britt	Kent County
	Kate Carlson	<i>MIBiz</i>
	Hilarie Carpenter	ASM Global
	Thomas Coomes	CitiGroup
	Jeff Dood	Kent County
	Christa Ferguson	WOOD TV
	Alison Goodyke	ASM Global
	Tim Gortsema	Grand Rapids Griffins
	Jen Henkel	ASM Global
	Todd Johnson	ASM Global
	Jennifer Kasper	City of Grand Rapids
	Andy Kursch	ASM Global
	J.J. Loew	Vicinity
	Michael Lozon	Bluewater Technologies
	Chris Machuta	ASM Global
	Rich MacKeigan	ASM Global
	Mary Manier	Experience Grand Rapids
	Cheri McConomy	CAA
	Brian McVicar	<i>The Grand Rapids Press/MLive</i>
	Jackie Morse	ASM Global
	Torrance Richardson	Gerald R. Ford International Airport
	Emilee Syrewicz	Opera Grand Rapids
	Aaron Terpstra	City of Grand Rapids
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	Mark Washington	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	CAA
	Robert Wilberding	Bluewater Technologies
	Ed Wilson	Country Inn Suites
	Paul Ymker	Bluewater Technologies

1. Call to Order

Steve Heacock, chairperson, called the remote virtual meeting to order at 8:42 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

2. Minutes of Prior Meeting

Motion by Ms. Klohs, support by Mr. Wilson, to approve the November 13, 2020, and December 4, 2020, meeting Minutes. Motion carried.

3. Reappointment of Board Members

Floyd Wilson, Jr., and Richard A. Winn were reappointed to the CAA Board by Experience Grand Rapids and Kent County, respectively, for terms commencing January 1, 2021, and expiring December 31, 2024.

4. Committee Reports

A. Operations Committee

Chair Lew Chamberlin stated that he was impressed with the work of ASM staff in terms of security and safety investments/hygiene protocols. Our venues will come out of the COVID pandemic much stronger, and we will be ready when the world is ready. Although a lot still must happen, there is a pent-up desire to engage with the world.

B. Finance Committee

i. Acceptance of November 2020 Consolidated Financial Statements

Mr. White presented the consolidated financial statements for the period ended November 30, 2020. Mr. White referred to the dashboard and stated that the budget projected an operating loss of (\$2.45) million and the actual operating loss was (\$1.85) million, \$600,000 better than projected, due to expenditure reductions by ASM. The roll will be updated with the December report that the Board will receive in February. For the full year, the budget is projecting (\$6.5) million operating loss and \$4.4 million of capital spending, suggesting just under an \$11 million draw on the \$21 million fund balance. At the end of the first quarter, a (\$6.26) million operating loss was estimated against the \$6.5 million budget for the full fiscal year. Capital spending was projected to come in just slightly under budget, expecting to draw just under \$11 million from fund balance before the end of the fiscal year. Mr. White provided an update on the CARES grant received from Kent County. The CAA received \$1,985,000 on October 27, 2020. All funds had to be expended on or before December 31, 2020. As of the end of December, the total expenditures totaled \$1,885,000. The \$100,000 unexpended balance must be repaid to Kent County by January 31, 2021. Mr. MacKeigan stated that \$70,000 of the unexpended \$100,000 CARES grant has been committed and he will be speaking with County officials regarding their interpretation of the contract terms. Mr. Winn stated that the budget task force would be meeting next week to reassess the budget and review what activities will be taking place in the venues. The task force will present its report next month.

Motion by Mr. Winn, support by Mr. Wilson, to accept the November 2020 Consolidated Financial Statements. Motion carried.

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

Mr. Machuta reported that, in November, the facilities were running \$450,000 ahead on expenditures in because of staffing adjustments in all departments. Multiple staff members are performing multiple roles. The fly rail project is materially completed. Once projected to be a three-year project, it has been finished during the pandemic and the theater will not have to be closed this summer. The Arena upper bowl seating project will start Monday and be completed in three weeks. Both projects came in under budget and caused no operational issues.

5. Update from SMG, a Division of ASM Global

Chair Heacock inquired about plans for re-emergence of staff as the events begin to take place. Mr. MacKeigan responded that staffing issues are being assessed and the current event load does not warrant the return of all employees. As activity starts to increase, the staffing will likewise grow.

6. Public Comment

None.

7. Board Member Comments

Ms. Klohs agreed there is pent-up demand for people to get out and socialize.

Mr. Winn praised the ASM team members for their efficient management of the venues during this pandemic.

Mayor Bliss echoed comments for a brighter 2021 and acknowledged that a lot of work needs to be done to address the issues regarding systemic racism.

Mr. Wayman Britt extended his appreciation to Rich MacKeigan for his inspiring positivity. Regarding return of the unexpended CARES grant, Mr. Britt stated that he has spoken with Jeff Dood and hopefully they can figure out a way to move those dollars back to good use and the timeline has been extended. We must focus on the good; do not let the negative get in the way.

8. Adjournment

The meeting adjourned at 9:12 a.m.

Richard A. Winn, Recording Secretary



Consolidated Financial Report
December 31, 2020

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



Financial Dashboard
Year-To-Date (6 Months)
December 31, 2020

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	45	-	5	19	-	-
Attendance	282,277	-	-	156,293	-	-
Event Income	\$ 1,998,310	\$ -	\$ 67,294	\$ 1,629,419	\$ -	\$ 748
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	262	-	13	68	-	-
Attendance	240,817	-	464	68,613	-	-
Event Income	\$ 2,973,844	\$ -	\$ 4,943	\$ 1,097,583	\$ -	\$ (10,283)
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 561,407	\$ (3,012,496)	\$ (2,283,719)
Capital/Repair/Replacement				(1,890,532)	(1,941,727)	(1,838,307)
Net - To/(From) on Fund Balance				\$ (1,329,125)	\$ (4,954,223)	\$ (4,122,026)

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2020

\$21.6M

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

	FY 2021				FY 2022
	7/1 - 12/31				
	Year-to-Date	Roll	Estimate^{(1) (3)}	Budget	Forecast⁽⁴⁾
Van Andel Arena					
Operating - Revenues	\$ 536,986	\$ 47,500	\$ 584,486	\$ 855,248	\$ 4,523,904
- Expenses - Facilities	(1,012,518)	(1,396,917)	(2,409,435)	(3,161,016)	(4,174,394)
- Base Management Fees	(90,169)	(90,169)	(180,338)	(182,848)	(186,504)
- Incentive Fee	-	-	-	-	-
Net Operating Income (Loss)	(565,701)	(1,439,586)	(2,005,287)	(2,488,616)	163,006
Parking	103,267	87,951	191,218	234,000	309,000
Pedestrian Safety	-	-	-	(13,700)	(65,000)
Net Proceeds (Cost) of VAA	(462,434)	(1,351,635)	(1,814,069)	(2,268,316)	407,006
DeVos Place Convention Center					
Operating - Revenues	49,082	60,537	109,619	975,759	5,015,000
- Expenses - Facilities	(1,814,241)	(2,238,806)	(4,053,047)	(4,606,032)	(5,980,774)
- Base Management Fees	(90,169)	(90,169)	(180,338)	(182,848)	(186,504)
- Incentive Fee	-	-	-	-	-
Net Operating Income (Loss)	(1,855,328)	(2,268,438)	(4,123,766)	(3,813,121)	(1,152,278)
Parking	229,627	(13,333)	216,294	395,000	1,050,000
Pedestrian Safety	-	-	-	(8,300)	(45,000)
Net Proceeds (Cost) of DVP	(1,625,701)	(2,281,771)	(3,907,472)	(3,426,421)	(147,278)
Other					
Revenues	98,492	127,955	226,447	198,022	290,069
Expenses	(294,076)	(708,377)	(1,002,453)	(1,044,963)	(748,265)
Net Other	(195,584)	(580,422)	(776,006)	(846,941)	(458,196)
Total Net Proceeds/Operating	(2,283,719)	(4,213,828)	(6,497,547)	(6,541,678)	(198,468)
Capital/Repair Expenditures	(1,838,307)	(2,478,700)	(4,317,007)	(4,420,427) ⁽²⁾	(2,000,000)
Results Net of Capital/Repair Expenditures	\$ (4,122,026)	\$ (6,692,528)	\$ (10,814,554)	\$ (10,962,105)	\$ (2,198,468)

Notes:

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

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for the Month of December 2020

	December Monthly		
	FY 2020	FY 2021	Change Positive (Negative)
Van Andel Arena			
Operating - Revenues	\$ 636,809	\$ 29,716	(95.3)
- Expenses - Facilities ⁽¹⁾	(338,611)	(173,974)	48.6
- Base Management Fees	(14,939)	(15,028)	(0.6)
- Incentive Fee	-	-	-
Net Operating Income (Loss)	283,259	(159,286)	(156.2)
Parking	34,932	36,975	5.8
Pedestrian Safety	(16,218)	-	100.0
Net Proceeds (Cost) of VAA	301,973	(122,311)	(140.5)
DeVos Place Convention Center			
Operating - Revenues	596,935	6,641	(98.9)
- Expenses - Facilities ⁽¹⁾	(575,342)	(329,948)	42.7
- Base Management Fees	(14,939)	(15,028)	(0.6)
- Incentive Fee	-	-	-
Net Operating Income (Loss)	6,654	(338,335)	(5,184.7)
Parking	82,229	79,667	(3.1)
Pedestrian Safety	(10,399)	-	100.0
Net Proceeds (Cost) of DVP	78,484	(258,668)	(429.6)
Other			
Revenues	52,082	-	(100.0)
Expenses	(138,919)	(11,794)	91.5
Net Other	(86,837)	(11,794)	86.4
Total Net Proceeds/Operating	293,620	(392,773)	(233.8)
Capital/Repair Expenditures	(58,752)	(634,173)	(979.4)
Results Net of Capital Expenditures	\$ 234,868	\$ (1,026,946)	(537.2)

Notes:

(1) Includes ASM line item - "Net Salaries and Benefits": Dec. 2019 (Actual) \$378K, Dec. 2020 (Budget) \$217K, and Dec. 2020 (Actual) \$280K, [a 25.9% reduction from Dec. 2019 (Actual)].

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

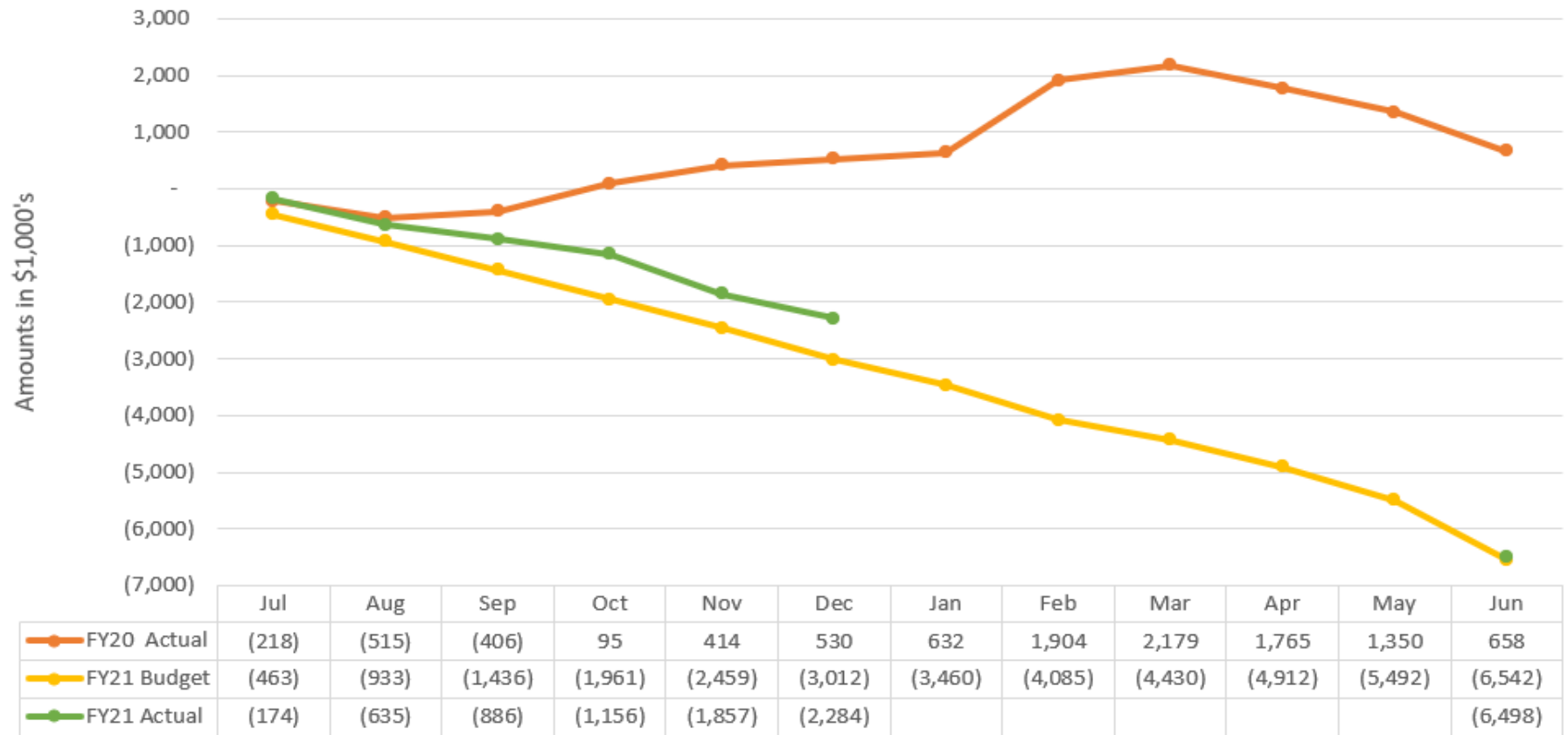
FY 2021 Eligible Projects:		Budget	Actual 7/1-12/31	Roll	Full-Year Estimate
Van Andel Arena®					
	Upper Bowl Seating	\$ 750,000	-	\$ 745,897	\$ 745,897
Total VAA		750,000	-	745,897	745,897
DeVos Place®					
	Building Management Software-HVAC	150,000	-	150,000	150,000
	Exterior Welsh Granite & Steps	300,000	255,251	-	255,521
	Fly Rail System	1,450,000	1,153,444	296,556	1,450,000
Total DVP		1,900,000	1,408,695	446,556	1,855,521
Both Venues					
	Box Office Speakers	60,000	-	46,300	46,300
Carryover (FY20) Projects					
DVP	Projection Theater Updates	200,000	-	200,000	200,000
DVP	Fly Rail System	114,604	114,604	-	114,604
DVP	Additional Furniture	33,000	-	33,000	33,000
DVP	Carpet: Keeler Lobby/Performance Hall	323,619	257,836	41,627	299,463
DVP	Airwall Fabric Replacement	42,015	42,015	-	42,015
DVP	OSHA Safety Changes	7,381	-	7,381	7,381
DVP	Lyon Street Landscaping	400,000	-	400,000	400,000
DVP	New Soft Start for Chiller	39,885	-	-	-
VAA	Suite Refresher	372,803	2,157	370,646	372,803
VAA	Security Upgrades	25,135	13,000	12,135	25,135
BOTH	Elevator Modernization	10,985	-	34,158	34,158
BOTH	New Computers	4,000	-	4,000	4,000
BOTH	New Phone System	137,000	-	137,000	137,000
Total Carryover		1,710,427	429,612	1,239,947	1,669,559
Total Unrestricted Accounts		4,420,427	1,838,307	2,478,700	4,317,277
Amphitheater - State Grant (Restricted Account)		4,969,411	264,825	4,500,111	4,764,936
COVID-19 County Grant (Restricted Account)		1,985,817	1,885,035	-	1,885,035
Total FY 2021 Capital Budget		\$ 11,375,655	\$ 3,988,167	\$ 6,978,811	\$ 10,967,248

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

	Annual			Year-To-Date		
	FY 2020 Final	FY 2021 Budget	Change Positive (Negative)	FY 2020 7/1-12/31	FY 2021 7/1 - 12/31	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 5,832,637	\$ 855,248	(85.3)	\$ 3,218,912	\$ 536,986	(83.3)
- Expenses - Facilities	(3,947,676)	(3,161,016)	19.9	(2,060,286)	(1,012,518)	50.9
- Base Management Fees	(179,263)	(182,848)	(2.0)	(89,632)	(90,169)	(0.6)
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	1,705,698	(2,488,616)	(245.9)	1,068,994	(565,701)	(152.9)
Parking	314,418	234,000	(25.6)	181,410	103,267	(43.1)
Pedestrian Safety	(82,159)	(13,700)	83.3	(38,338)	-	100.0
Net Proceeds (Cost) of VAA	1,937,957	(2,268,316)	(216.5)	1,212,066	(462,434)	(138.2)
DeVos Place Convention Center						
Operating - Revenues	4,966,722	975,759	(80.4)	3,010,080	49,082	(98.4)
- Expenses - Facilities	(6,340,580)	(4,606,032)	27.4	(3,374,287)	(1,814,241)	46.2
- Base Management Fees	(179,263)	(182,848)	2.0	(89,632)	(90,169)	(0.6)
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	(1,553,121)	(3,813,121)	(145.5)	(453,839)	(1,855,328)	
Parking	907,156	395,000	(56.5)	463,855	229,627	(50.5)
Pedestrian Safety	(42,382)	(8,300)	80.4	(16,273)	-	100.0
Net Proceeds (Cost) of DVP	(688,347)	(3,426,421)	(497.8)	(6,257)	(1,625,701)	(2,598.2)
Other						
Revenues	1,015,744	198,022	(80.5)	317,918	98,492	(69.0)
Expenses	(1,606,877)	(1,044,963)	35.0	(962,320)	(294,076)	69.4
Net Other	(591,133)	(846,941)	(43.3)	(644,402)	(195,584)	69.6
Total Net Proceeds/Operating	658,477	(6,541,678)	(1,093.5)	561,407	(2,283,719)	(506.8)
Capital/Repair Expenditures	(3,298,781)	(4,420,427)	(34.0)	(1,890,532)	(1,838,307)	2.8
Results Net of Capital Expenditures	\$ (2,640,304)	\$ (10,962,105)	(315.2)	\$ (1,329,125)	\$ (4,122,026)	(210.1)

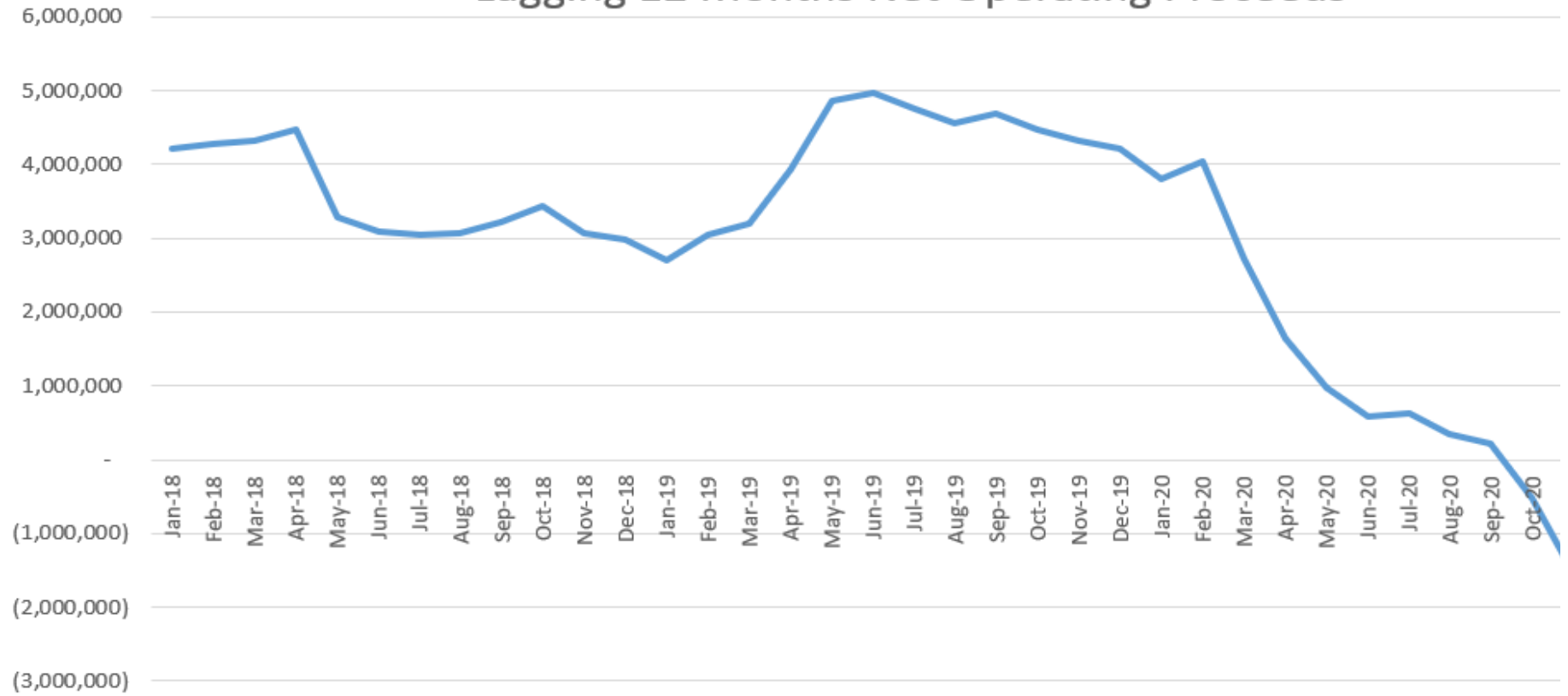
CAA Trends

Monthly Net Operating Proceeds through December 31, 2020



Accumulative Net Proceeds by Month

Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Zero concerts generated \$0.00 in event revenue, a decrease of (100.0%) from prior year (19 concerts) of \$1,629,419.
- Page 5 - Net proceeds of (\$462,434) decreased by (138.2%) from prior year of \$1,212,066.

DeVos Place®

- Page 1 - Convention/trade show business generated \$0.00 in event revenue, a decrease of (100.0%) from prior year (attendance decreased from 68,613 to zero) of \$1,097,583.
- Page 5 - Net "proceeds" of (\$1,625,701) decreased by (2,598.2%) from prior year Net Proceeds of (\$6,257).

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
December 31, 2020

	Annual			Actual		
	FY 2020 Final	FY 2021 Budget	Change Positive (Negative)	FY 2020 7/1-12/31	FY 2021 7/1/-12/31	Change Positive (Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 597,468	\$ 190,000	(68.2)	\$ 317,918	\$ 94,447	(70.3)
Miscellaneous	68,069	8,022	(88.2)	-	4,045	+100.0
	665,537	198,022	(70.2)	317,918	98,492	(69.0)
Expenses						
COVID-19 Preparedness Plan	-	300,000	(100.0)	-	-	-
Marketing (CVB/Sports)	200,000	200,000	-	66,667	66,667	-
Diversity Initiative	140,468	100,000	28.8	131,205	-	100.0
Wages/Benefits	150,493	141,106	6.2	56,589	55,971	1.1
Professional Services	73,246	85,000	(16.0)	54,090	63,838	(18.0)
DID Assessment	65,284	33,000	49.5	65,284	32,110	50.8
Food & Beverage Repairs	-	40,000	(100.0)	-	-	-
Consulting Services	547,584	84,857 ⁽¹⁾	84.5	533,892	36,200	93.2
Landscaping	27,827	25,000	10.2	11,785	10,829	8.1
Procurement of Art	2,105	-	100.0	2,105	-	100.0
Insurance	17,429	26,000	(49.2)	23,676	24,836	(4.9)
Supplies/Other	25,791	10,000	61.2	17,027	3,625	78.7
	1,250,227	1,044,963	16.4	962,320	294,076	69.4
Net Proceeds - Operating	<u>\$ (584,690)</u>	<u>\$ (846,941)</u>	<u>(44.9)</u>	<u>\$ (644,402)</u>	<u>\$ (195,584)</u>	<u>69.6</u>

Notes:

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

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Amphitheater Project
Revenues/Expenses
4/4/19 to 12/31/20

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

NOTES:

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

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Federal CARES Allotment (County)
Grant Period: 10/8/20 to 12/30/20
Revenues/Expenses
December 31, 2020

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

NOTES:

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

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE MONTH ENDED DECEMBER 31, 2020**

Distribution:

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



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

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	13	6	19	0	19
ATTENDANCE	464	-	464	0	464
DIRECT EVENT INCOME	11,763	33,437	45,200	520,660	(475,460)
ANCILLARY INCOME	(6,819)	(8,400)	(15,219)	369,479	(384,698)
OTHER EVENT INCOME	0		0	37,620	(37,620)
TOTAL EVENT REVENUE	4,944	25,037	29,981	927,759	(897,778)
TOTAL OTHER REVENUE	44,138	35,500	79,638	48,000	31,638
TOTAL OPERATING REVENUE	49,082	60,537	109,619	975,759	(866,140)
INDIRECT EXPENSES					
EXECUTIVE	54,121	75,179	129,300	171,288	41,988
FINANCE	117,097	96,297	213,394	202,475	(10,919)
MARKETING	44,605	79,437	124,042	125,940	1,898
OPERATIONS	367,052	533,707	900,759	659,101	(241,658)
EVENT SERVICES	390,590	441,341	831,931	1,378,098	546,167
BOX OFFICE	69,581	76,648	146,229	90,288	(55,941)
SALES	156,702	171,702	328,404	405,660	77,256
OVERHEAD	704,663	854,663	1,559,326	1,756,030	196,704
TOTAL OPERATING EXP.	1,904,410	2,328,974	4,233,385	4,788,880	555,495
NET REVENUE ABOVE EXPENSES	(1,855,328)	(2,268,437)	(4,123,766)	(3,813,121)	(310,645)
INCENTIVE FEE		-	0	0	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(1,855,328)	(2,268,437)	(4,123,766)	(3,813,121)	(310,645)

Comments:

DeVos Place continues to be dark with no events hosted during the month of December.

General Manager

Assistant General Manager

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

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

MONTH	December Actual	December Budget	December FY 2020
Number of Events	-	0	38
Attendance	-	0	61,382
Direct Event Income	\$0	\$0	\$273,477
Ancillary Income	(1,370)	0	205,029
Other Event Income	0	0	110,598
Other Operating Income	8,011	4,000	7,831
Indirect Expenses	(344,976)	(350,782)	(590,281)
Net Income	(\$338,336)	(\$346,782)	\$6,654

YTD	YTD 2021 Actual	YTD 2021 Budget	YTD 2020 Prior Year
Number of Events	13	0	262
Attendance	464	0	240,817
Direct Event Income	\$11,763	\$0	\$1,398,189
Ancillary Income	(6,819)	0	1,266,888
Other Event Income	0	0	308,767
Other Operating Income	44,138	20,000	36,235
Indirect Expenses	(1,904,410)	(2,075,113)	(3,463,919)
Net Income	(\$1,855,328)	(\$2,055,113)	(\$453,839)

EVENT INCOME

Venue hosted no events during the month.

ANCILLARY INCOME

No events were hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in consistent with budgeted levels.

DeVos Place
Income Statement
For the Six Months Ended December 31, 2020

	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	\$0	\$0	\$ -	\$299,597	\$13,300	\$0	\$ 13,300	\$1,613,305
Service Revenue	0	-	-	444,430	11,161	-	11,161	1,921,780
Service Expenses	0	-	-	(470,550)	(12,698)	-	(12,698)	(2,136,896)
Total Direct Event Income	0	0	0	273,477	11,763	0	11,763	1,398,189
Ancillary Income								
F&B Concession	0	-	-	25,472	18	-	18	104,694
F&B Catering	0	-	-	57,640	0	-	-	438,544
Novelty Sales	0	-	-	9,669	0	-	-	22,562
Booth Cleaning	0	-	-	23,896	0	-	-	127,867
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	0	-	-	44,538	1,360	-	1,360	205,123
Audio Visual	0	-	-	10,027	0	-	-	187,692
Internet Services	(1,370)	-	(1,370)	8,908	(8,861)	-	(8,861)	67,036
Equipment Rental	0	-	-	24,879	664	-	664	113,370
Total Ancillary Income	(1,370)	0	(1,370)	205,029	(6,819)	0	(6,819)	1,266,888
Other Event Income								
Ticket Rebates(Per Event)	-	-	-	110,598	-	-	-	308,767
Total Other Event Income	0	0	0	110,598	0	0	0	308,767
Total Event Income	(1,370)	0	(1,370)	589,104	4,944	0	4,944	2,973,844
Other Operating Income								
Luxury Box Agreements	775	0	775	942	4,650	0	4,650	5,650
Advertising	0	0	-	1,333	0	0	-	4,000
Other Income	7,236	4,000	3,236	5,556	39,488	20,000	19,488	26,585
Total Other Operating Income	8,011	4,000	4,011	7,831	44,138	20,000	24,138	36,235
Adjusted Gross Income	6,641	4,000	2,641	596,935	49,082	20,000	29,082	3,010,080
Operating Expenses								
Salaries and Wages	213,281	132,531	80,750	528,541	1,053,562	795,182	258,380	2,545,415
Payroll Taxes and Benefits	73,824	33,786	40,038	131,566	417,368	202,716	214,652	514,117
Labor Allocations to Events	(103,388)	(38,596)	(64,792)	(405,945)	(564,541)	(231,576)	(332,965)	(1,676,630)
Net Salaries and Benefits	183,717	127,721	55,996	254,162	906,389	766,322	140,067	1,382,903
Contracted Services	5,227	0	5,227	44,880	18,241	0	18,241	247,208
General and Administrative	16,421	21,375	(4,954)	39,685	116,918	128,250	(11,332)	315,474
Operations	2,995	11,946	(8,951)	24,922	21,738	71,676	(49,938)	119,934
Repair and Maintenance	29,302	47,100	(17,798)	55,514	192,201	282,600	(90,399)	346,008
Operational Supplies	2,730	17,244	(14,514)	35,008	27,662	98,759	(71,097)	137,662
Insurance	14,081	18,969	(4,888)	28,411	84,600	113,814	(29,214)	129,420
Utilities	75,475	91,190	(15,715)	92,761	446,489	522,270	(75,781)	695,679
SMG Management Fees	15,028	15,237	(209)	14,939	90,169	91,422	(1,253)	89,632
Total Operating Expenses	344,976	350,782	(5,806)	590,281	1,904,410	2,075,113	(170,703)	3,463,919
Net Income(Loss) From Operatic	(338,336)	(346,782)	8,446	6,654	(1,855,328)	(2,055,113)	199,785	(453,839)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(338,336)	(346,782)	8,446	6,654	(1,855,328)	(2,055,113)	199,785	(453,839)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Six Months Ended December 31, 2020

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	-	-	-	-	(10,283)	-
Consumer/Gated Shows	-	-	-	-	-	-
DeVos Performance Hall	-	-	-	-	-	-
Banquets	-	-	-	-	-	-
Meetings	3	-	75	-	5,533	-
Other	10	-	389	-	9,693	-
GRAND TOTALS	13	-	464	-	4,943	-

As Percentage of Overall

Convention/Trade Shows	0.00% #DIV/0!	0.00% #DIV/0!	-208.03% #DIV/0!
Consumer/Gated Shows	0.00% #DIV/0!	0.00% #DIV/0!	0.00% #DIV/0!
Devos Performance Hall	0.00% #DIV/0!	0.00% #DIV/0!	0.00% #DIV/0!
Ballroom Exclusive	0.00% #DIV/0!	0.00% #DIV/0!	0.00% #DIV/0!
Meetings	23.08% #DIV/0!	16.16% #DIV/0!	111.94% #DIV/0!
Other	76.92% #DIV/0!	83.84% #DIV/0!	196.10% #DIV/0!

**DeVos Place
Balance Sheet
As of December 31, 2020**

ASSETS

Current Assets

Cash	1,474,833
Account Receivable	131,093
Prepaid Expenses	399,099

Total Current Assets		\$2,005,024
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Total Assets		\$2,005,024
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	210,818
Accrued Expenses	145,784
Deferred Income	79,967
Advanced Ticket Sales & Deposits	1,360,300

Total Current Liabilities		\$1,796,870
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Other Liabilities

Equity

Funds Remitted to CAA	-
Funds Received by CAA	1,494,165
Expenses Paid Direct by CAA	414,917
Beginning Balance Equity	154,402
Current Year Equity	(1,855,329)

Total Equity		\$208,155
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Total Liabilities and Equity		\$2,005,024
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2020

Current - Under 30 Days	
Food & Beverage	-
Ticketing	1,280
Merchandise	12,529
Decorating	-
Audio/Visual	-
Van Andel Arena	76,203
Operating	
 Over 30 Days	
 Over 60 Days	41,081
 Over 90 Days	
 Total Accounts Receivable	131,093

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

MANAGEMENT FEE SUMMARY

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

Incentive Fee Calculation (Only if above greater than zero)

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

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

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

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

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

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



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE MONTH YEAR ENDED DECEMBER 31, 2020

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



Distribution:

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



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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	-	15	15	0	15
ATTENDANCE	-	-	0	0	-
DIRECT EVENT INCOME	54,726	22,500	77,226	166,258	(89,032)
ANCILLARY INCOME	11,820	-	11,820	228,632	(216,812)
OTHER EVENT INCOME	748	-	748	112,125	(111,377)
TOTAL EVENT INCOME	67,294	22,500	89,794	507,015	(417,221)
TOTAL OTHER INCOME	469,692	25,000	494,692	348,233	146,459
TOTAL INCOME	536,986	47,500	584,486	855,248	(270,762)
INDIRECT EXPENSES					
EXECUTIVE	85,202	96,202	181,404	199,008	17,604
FINANCE	92,071	76,271	168,342	177,924	9,582
MARKETING	56,403	81,403	137,806	169,640	31,834
OPERATIONS	351,034	542,267	893,301	1,441,751	548,450
BOX OFFICE	56,846	68,308	125,154	165,862	40,708
LUXURY SEATING	-	-	-	-	-
SKYWALK ADMIN	14,819	26,319	41,138	54,096	12,958
OVERHEAD	446,314	596,314	1,042,628	1,135,583	92,955
TOTAL INDIRECT EXP.	1,102,687	1,487,084	2,589,773	3,343,864	754,091
NET REVENUE ABOVE EXPENSES	(565,701)	(1,439,584)	(2,005,287)	(2,488,616)	483,329
LESS INCENTIVE FEE			-	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	(565,701)	(1,439,584)	(2,005,287)	(2,488,616)	483,329

Comments:

The Arena continues to be mostly dark with the exception of Grand Rapids Symphony streaming events.

General Manager

Assistant General Manager

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

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

MONTH	December Actual	December Budget	December FY 2020
Number of Events	2	-	9
Attendance	-	-	66,446
Direct Event Income	\$13,626	\$0	\$175,476
Ancillary Income	5,570	0	147,325
Other Event Income	(221)	0	100,437
Other Operating Income	10,740	6,000	213,571
Indirect Expenses	(189,002)	(241,213)	(353,550)
Net Income	(\$159,285)	(\$235,213)	\$283,259

YTD	YTD 2021 Actual	YTD 2021 Budget	YTD 2020 Prior Year
Number of Events	7	-	45
Attendance	-	-	282,277
Direct Event Income	\$54,726	\$0	\$498,224
Ancillary Income	11,820	0	935,494
Other Event Income	748	0	564,592
Other Operating Income	469,692	36,000	1,220,603
Indirect Expenses	(1,102,687)	(1,428,620)	(2,149,918)
Net Income	(\$565,701)	(\$1,392,620)	\$1,068,995

EVENT INCOME

The Arena hosted Grand Rapids Symphony streaming event.

ANCILLARY INCOME

No Ancillary income due to no public in the facility.

INDIRECT EXPENSES

Indirect expenses came in ahead of budget overall.

Van Andel Arena
Income Statement
For the Six Months Ended December 31, 2020

	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	\$ 14,500	\$ -	\$ 14,500	\$ 279,684	\$ 51,700	\$ -	\$ 51,700	\$ 907,990
Service Revenue	25,173	-	25,173	258,567	87,856	-	87,856	1,515,775
Service Expenses	(26,047)	-	(26,047)	(362,775)	(84,830)	-	(84,830)	(1,925,541)
Total Direct Event Income	13,626	0	13,626	175,476	54,726	0	54,726	498,224
Ancillary Income								
F&B Concession	-	-	-	125,810	-	-	-	752,258
F&B Catering	-	-	-	13,295	-	-	-	78,308
Novelty Sales	-	-	-	7,941	-	-	-	104,031
Booth Cleaning	660	-	660	279	660	-	660	802
Audio Visual	-	-	-	-	-	-	-	95
Other Ancillary	4,910	-	4,910	-	11,160	-	11,160	-
Total Ancillary Income	5,570	0	5,570	147,325	11,820	0	11,820	935,494
Other Event Income								
Ticket Rebates(Per Event)	(221)	0	(221)	100,437	748	0	748	564,592
Total Other Event Income	(221)	0	(221)	100,437	748	0	748	564,592
Total Event Income	18,975	0	18,975	423,238	67,294	0	67,294	1,998,310
Other Operating Income								
Luxury Box Agreements	0	0	0	141,681	293,980	0	293,980	847,082
Advertising	0	0	0	56,680	144,466	0	144,466	323,768
Other Income	10,740	6,000	4,740	15,210	31,246	36,000	(4,754)	49,753
Total Other Operating Income	10,740	6,000	4,740	213,571	469,692	36,000	433,692	1,220,603
Adjusted Gross Income	29,716	6,000	23,716	636,809	536,986	36,000	500,986	3,218,912
Operating Expenses								
Salaries and Wages	85,459	72,550	12,909	194,491	371,045	435,300	(64,255)	1,233,208
Payroll Taxes and Benefits	29,034	16,613	12,421	33,425	161,463	99,678	61,785	176,160
Labor Allocations to Events	(17,942)	-	(17,942)	(103,875)	(68,180)	-	(68,180)	(565,348)
Net Salaries and Benefits	96,551	89,163	7,388	124,041	464,328	534,978	(70,650)	844,020
Contracted Services	5,849	-	5,849	24,414	16,473	-	16,473	156,396
General and Administrative	16,091	22,768	(6,677)	58,290	135,423	136,608	(1,185)	288,078
Operations	407	7,232	(6,825)	2,579	5,485	43,392	(37,907)	32,015
Repair and Maintenance	8,469	27,375	(18,906)	26,802	75,324	164,250	(88,926)	128,186
Operational Supplies	1,293	17,114	(15,821)	15,365	31,952	98,016	(66,064)	122,571
Insurance	6,482	11,036	(4,554)	21,933	36,060	66,216	(30,156)	100,787
Utilities	38,831	51,288	(12,457)	65,187	247,473	293,738	(46,265)	388,232
SMG Management Fees	15,028	15,237	(209)	14,939	90,169	91,422	(1,253)	89,632
Total Operating Expenses	189,002	241,213	(52,211)	353,550	1,102,687	1,428,620	(325,933)	2,149,918
Net Income(Loss) From Operations	(159,285)	(235,213)	75,928	283,259	(565,701)	(1,392,620)	826,919	1,068,995
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(159,285)	(235,213)	75,928	283,259	(565,701)	(1,392,620)	826,919	1,068,995

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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	-	-	-	-	-	-
Sporting Event	-	-	-	-	-	-
Concert	-	-	-	-	748	-
Team Home Games	-	-	-	-	-	-
Other	5	-	-	-	66,547	-
GRAND TOTALS	5	-	-	-	67,294	-

As Percentage of Overall

Family Show	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	0.00%	#DIV/0!
Sporting Event	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	0.00%	#DIV/0!
Concert	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	1.11%	#DIV/0!
Team Home Games	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	0.00%	#DIV/0!
Other	100.00%	#DIV/0!	#DIV/0!	#DIV/0!	98.89%	#DIV/0!

Van Andel Arena
Balance Sheet
As of December 31, 2020

ASSETS

Current Assets

Cash	6,689,900
Account Receivable	893,952
Prepaid Expenses	201,361

Total Current Assets	\$7,785,213	
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Total Assets

\$7,785,213

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	(208,296)
Accrued Expenses	56,380
Deferred Income	711,598
Advanced Ticket Sales & Deposits	6,592,257

Total Current Liabilities	\$7,151,939	
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Other Liabilities

Equity

Funds Remitted to CAA	0
Funds Received by CAA	1,877,974
Expenses Paid Direct by CAA	226,168
Beginning Balance Equity	(905,167)
Current Year Equity	(565,701)

Total Equity	\$633,275	
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Total Liabilities and Equity

\$7,785,213

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2020

Current - Under 30 Days	
Food & Beverage	-
Ticketing	322,440
Merchandise	-
Permanent Advertising	593,484
DeVos Place	(76,203)
Operating	54,231
 Over 30 Days	
 Over 60 Days	
 Over 90 Days	
 Total Accounts Receivable	 893,952

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

MANAGEMENT FEE SUMMARY

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

Incentive Fee Calculation (Only if above greater than zero)

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

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

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

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

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

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

Memorandum

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

From: Robert White

Subject: Auto Parking System Periodic Reporting

Date: January 16, 2021

The previously (6/5/20) adopted “Parking Operation Agreement” requires the City-Auto Parking System to provide a quarterly report regarding City/County utilization of discounted DeVos Place® monthly parking passes. The content of this second quarter (FY21) periodic report includes the following information:

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

The City currently holds 127 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 1 between 10/1/20 and 12/31/20.
The County decreased the number of passes out by 8 between 10/1/20 and 12/31/20.

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 \$62.78.
The City currently holds 127 passes with a total annualized discount of \$139,019.
The County currently holds 161 passes with a total annualized discount of \$176,237.

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 FY21	Total Spaces End of Q2 FY21	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	23	23	0	\$2,098.06	\$0.00
KC Facilities Management	146	138	-8	\$13,318.12	(\$729.76)
City of GR	126	127	1	\$11,493.72	\$91.22
Total	295	288	-7	\$26,909.90	(\$638.54)

*Current Market Rate is \$154 monthly, City/County Contractual Rate is \$62.78 monthly, effective 7/1/2020.

M E M O R A N D U M

To: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority

From: Richard A. Wendt, Legal Counsel
Dickinson Wright PLLC

Date: February 5, 2021

Re: Option Agreement to Purchase Real Estate related to 201 Market Avenue, S.W.

There are several provisions related to the Option Agreement to Purchase Real Estate between the CAA and the City of Grand Rapids related to a portion of City-owned property at 201 Market Avenue that I bring to your attention.

First, the purchase price of \$48.12 per square foot represents a reduction from the appraised value of \$58.00 per square foot. Based on the estimated 11.6 acres required for a proposed amphitheater, this represents a “credit” equal to the \$5 million the CAA is contributing towards the decommissioning and reconstruction of the Market Avenue sanitary trunk sewer.

Second, the City will repay the CAA the \$5 million if (a) the CAA does not exercise the option to purchase the property by June 30, 2021 (or such other mutually agreeable date), (b) the CAA has not closed on the purchase of the property by December 31, 2021 (or such other mutually agreeable date), or (c) the CAA is required to return the grant to the State.

Third, the following conditions must be met for the CAA to proceed with the closing of the purchase of the property:

1. Mutual agreement of CAA and City on the size and location of the property to be acquired.
2. A plan for funding of the construction of the amphitheater is in place to the satisfaction of the CAA and the CAA has determined that operation of the amphitheater is feasible.
3. The CAA is satisfied there is adequate pedestrian, vehicular and public transit access.
4. The purchase is approved by the Kent County Board of Commissioners, the Grand Rapids City Commission and CAA Board.
5. The title and survey requirements are met.

MEMO: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority
DATE: February 5, 2021
PAGE: 2

6. The inspection and investigation of the property including environmental condition is satisfied.

The Grand Rapids City Commission is scheduled to consider approval of the Option Agreement on February 9. I am available to answer any further questions you may have.

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF
AN OPTION AGREEMENT TO PURCHASE REAL ESTATE WITH THE
CITY OF GRAND RAPIDS RELATED TO THE POTENTIAL LOCATION
OF AN AMPHITHEATER AT CITY-OWNED PROPERTY AT 201
MARKET AVENUE, S.W.**

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

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

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

RESOLVED:

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

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

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: February 5, 2021

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on February 5, 2021, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 5, 2021

Susan M. Waddell
Administrative Manager/Recording Secretary

OPTION AGREEMENT TO PURCHASE REAL ESTATE

THIS OPTION AGREEMENT TO PURCHASE REAL ESTATE (the “Agreement”), made February 26, 2021 (the “Execution Date”), by and between the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the “City”), of 300 Monroe Avenue, N.W., Grand Rapids, Michigan 49503 and **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a statutory authority created pursuant to Act 203 of the Public Acts of Michigan of 1989, as amended (the “CAA”), of 130 West Fulton Street, Grand Rapids, Michigan 49503.

RECITALS

A. The City is the owner of certain real property consisting of approximately 15.8 acres located at 201, 225, 233, 301 and 353 Market Avenue, S.W. in the City, legally described in the attached Exhibit A, which is incorporated herein by reference (the “Property”).

B. The City desires to grant an option to purchase a portion of the Property to the CAA and the CAA desires to accept the option subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the payments to be made in accordance with this Agreement and other good and valuable consideration receipt and sufficiency of which is hereby acknowledged, and the undertakings and agreements hereinafter set forth, the City and the CAA hereby covenant and agree as follows:

Section 1. Option. Subject to the terms and conditions of this Agreement, in consideration of the payment of One Dollar (\$1.00) by the CAA to the City, receipt of which is acknowledged, the CAA shall have an exclusive option to purchase approximately 11.6 acres of the Property, give or take, the location, and dimensions of which shall be mutually agreed to in writing by the designated representatives of the City and the CAA, as identified in Section 21 hereof, (the “Option Property”) for the location of a public amphitheater and related parking and other uses (the “Amphitheater”) on the Option Property (the “Option”).

Section 2. Purchase Price. In the event this Option is exercised, the purchase price (the “Purchase Price”) for the Option Property shall be \$48.12 a square foot, which is the appraised square footage value of a portion of the Property initially identified to be the Option Property as determined by a Real Estate Appraisal Report dated December 2, 2020, prepared by Soper & Associates, LLC, which amount reflects a reduction in value for the cost of relocating a sanitary trunk sewer and demolition of buildings and structures on the Option Property.

Section 3. Payment of Purchase Price. In the event the Option is exercised, Ten Million Dollars (\$10,000,000.00) of the Purchase Price shall be paid at the Closing (as defined in Section 5 hereof) by wire transfer and the balance of the Purchase Price shall be paid in equal installments of one-tenth (1/10) of the balance due and payable on July 1 of each of the years 2022 through 2031 or such other payment terms mutually agreed to in writing by the designated representatives of the City and the CAA as identified in Section 21 hereof.

Section 4. Exercise of Option. Subject to the terms and conditions of this Agreement, including specifically agreement on the size and location of the Option Property as provided in Section 1 hereof and fulfillment of the conditions set forth in Section 13 hereof, the Option may be exercised by delivery of written notice to the City as set forth in Section 22 hereof on or before June 30, 2021, or such other date mutually agreed to in writing by the designated representatives of the City and the CAA, as identified in Section 21 hereof, prior to June 30, 2021 (the “Expiry Date”). The period commencing on the Execution Date and ending on the Expiry Date shall be called the “Option Period.” If not exercised during the Option Period, the Option shall lapse.

Section 5. Closing; Date and Place of Closing. In the event the Option is exercised, the transaction for the purchase and sale of the Option Property (the “Closing”) shall be closed at the offices of Dickinson Wright PLLC, 200 Ottawa Avenue, N.W., Suite 1000, Grand Rapids, Michigan 49503 or at such other place as the parties shall mutually agree, within fourteen (14) days after written notice from the CAA to the City but not later than December 31, 2021, or such other date mutually agreed to in writing by the designated representatives of the City and the CAA as identified in Section 21 hereof (the “Closing Date”).

Section 6. Title Insurance and Survey. At the Closing, the City shall furnish the CAA, at the City’s expense, a standard ALTA owners title insurance policy (the “Title Insurance Policy”), covering the Option Property in the amount of the Purchase Price with standard exceptions deleted and issued through Chicago Title Insurance Company (the “Title Company”). The commitment for such policy (the “Title Commitment”) shall be ordered by the City and a copy provided to the CAA within ten (10) days of the Execution Date of this Agreement. In addition, the City shall, at least thirty (30) days prior to the Closing Date, furnish to the CAA a survey of the Option Property, showing all easements, improvements and encroachments, if any, and certified in a manner reasonably acceptable to the CAA (the “Survey”).

In the event the Title Commitment does not, in the CAA’s opinion, show marketable title in the Option Property acceptable to the CAA or if the Survey discloses any encroachments or other survey defects, the CAA shall notify the City if it objects to a defect in title and/or the Survey and the City shall make all reasonable efforts to cure said defect(s). If the City fails to cure such defect(s), the CAA may prior to the Closing Date (i) terminate this Agreement by written notice to the City as set forth in Section 22 hereof or (ii) cure any liens or other claims against the Option Property that may be cured by the payment of a fixed sum of money and deduct the cost of doing so from the Purchase Price at the time of Closing and waive all other objections to title and the Survey, which will then become permitted encumbrances (the “Permitted Encumbrances”), subject, however, to the other terms and conditions of this Agreement.

Section 7. Real Estate Taxes, Assessments and Utilities. The City represents and warrants to the CAA that the Option Property is, and through the calendar year in which the Closing will occur, will remain exempt for real estate tax purposes. Thus, there is no proration of real estate taxes in connection with the Closing of the Option Property. In the event the Option is exercised, the City shall pay all outstanding assessments, if any, which are a lien on the Option Property as of the Closing Date. All costs and expenses for utility services provided to the Option Property prior to the Closing shall be paid by the City.

Section 8. Inspection and Investigation of Property. The City shall deliver to the CAA within fifteen (15) days of the Execution Date of this Agreement copies of all existing soil reports, environmental reports and any other written reports, documents or information regarding the Option Property which are in the City's possession for the CAA's review. For a period of ninety (90) days after the Execution Date of this Agreement, the CAA and its employees, agents and contractors shall have the right to go upon the Option Property at reasonable times for the purpose of making soil tests, engineering surveys, environmental assessments (as provided in Section 9 hereof), or any other investigations or inspections necessary to determine the suitability of the Option Property for its development of the Amphitheater. The inspections, tests, surveys, assessments, studies and investigations shall be at the CAA's sole expense and access to the Option Property shall be upon prior reasonable notice to the City. The CAA shall have the right, at its expense, to have any Environmental Assessments (as defined in Section 9 hereof) updated prior to Closing.

The CAA shall save harmless the City and its officers, commissioners, employees and agents against liability or claim thereof whether for injury to persons, including death, or damage to property arising out of, or occasioned in whole or in part by, any act or omission of the CAA, its licensees or contractors, their agents or employees, on or about the Option Property for purposes of the inspection and investigation of the Option Property pursuant to this Section 8 and Section 9 hereof. The foregoing indemnity shall survive the term or cancellation and/or termination of this Agreement with respect to acts or omissions by the CAA, its licensees, contractors and their agents or employees during the term of this Agreement.

If the CAA is not satisfied, in its sole discretion, with the results of such inspections, tests, surveys, assessments, studies and investigations or with the suitability of the Option Property for the development of the Amphitheater, the CAA may rescind this Agreement by giving written notice to the City as set forth in Section 22 prior to the date notice of the Closing is required to be given pursuant to Section 5 hereof, in which case this Agreement shall be terminated and neither party shall have any further obligations or liability hereunder, except as otherwise provided herein, to the other.

Section 9. Environmental Matters. The CAA acknowledges that the City has made no representations regarding the environmental condition of the Option Property, including the compliance with applicable environmental laws.

The CAA may perform environmental assessments (including, by way of example, Phase I, Phase II, Baseline Environmental Assessment and Due Care Plan) at the Option Property (the "Environmental Assessments") at its expense. The Environmental Assessments shall not include any soil borings or ground water monitoring wells or any other sampling without the prior written approval of the City, which approval will not be unreasonably withheld.

Upon completion of the Environmental Assessments, but in no event later than the date prior to the date notice of the Closing is required to be given pursuant to Section 5 hereof, the CAA may elect, in writing, to the City, as set forth in Section 22 hereof, to determine that the environmental condition of the Option Property is unsatisfactory and terminate this Agreement,

and neither party shall have any further obligations or liability hereunder, except as otherwise provided herein, to the other.

Upon written request from the City the CAA will provide to the City, copies of any Environmental Assessments.

Section 10. As-Is-Condition. The CAA acknowledges, agrees and represents to the City that the CAA is purchasing the Option Property in its “as is,” “where is,” “with all faults” condition without any warranties and representations by the City as to merchantability, suitability, habitability or fitness for any particular use. The City makes no representations or warranties of any kind whatsoever with respect to the condition of the Option Property and the City shall not be a warrantor or guarantor of any studies, tests, assessments, documentation or any information conducted or prepared by or gathered by any person concerning the Option Property. The CAA acknowledges and agrees that it is relying solely on its own inspections, examinations, tests, assessments, reports, studies and financial analysis of the Option Property in its determination of the condition of the Option Property.

The CAA releases the City and its officers, commissioners, employees and agents from all claims and liability concerning the physical condition of the Option Property which release shall survive the term or cancellation or termination of this Agreement.

Section 11. Representations and Warranties of City. In addition to any other representation and warranties contained in this Agreement, the City makes the following representations and warranties, each of which shall be true both as of the Execution Date and as of the Closing Date and each of which shall survive the Closing:

(a) To the best of the City’s knowledge, the Option Property is in compliance with all applicable zoning, building, public health and environmental laws and regulations and all other laws and regulations of governmental authorities having jurisdiction over the Option Property.

(b) The City has no knowledge of any pending or proposed assessment affecting or which may affect the Option Property or any part of the Option Property.

(c) The City has no knowledge of (i) any agreements of sale other than this Agreement, (ii) any options or other rights of third parties to acquire the Option Property, (iii) any unrecorded easement, lease, claim, restriction, covenant, agreement or encumbrance effecting all or any portion of the Option Property, or (iv) any other agreements which would otherwise affect the Option Property.

(d) The City has the sole power to execute, deliver and carry out the terms and provisions of this Agreement and has taken all necessary actions to authorize the execution, delivery and performance of this Agreement and this Agreement constitutes the legal, valid and binding obligation of the City enforceable in accordance with its terms.

(e) To the City's knowledge, there are no suits or proceedings which have been threatened or instituted against or which affect the Option Property at law or in equity, or before any federal, State of Michigan or governmental commission, board, bureau, agency or instrumentality which may affect the value, occupancy or use of the Option Property. The City will give the CAA prompt written notice of any such action; suit or proceeding of which it obtains knowledge, subsequent to the date of this Agreement and prior to the Closing to the extent the City acquires such knowledge.

Section 12. Representations and Warranties of the CAA. The CAA represents and warrants to the City as of the Execution Date of this Agreement and as of the Closing Date, which warranties and representations shall survive the Closing as follows:

(a) The CAA has all power to execute this Agreement, consummate the transactions hereby and undertake the obligations contained herein and this Agreement constitutes a binding and enforceable obligation of the CAA. The person signing this Agreement is authorized to execute this Agreement for and on behalf of the CAA in accordance with the terms of this Agreement.

(b) The performance of the obligations of the CAA under this Agreement will not violate any contract, indenture, mortgage, judicial or administrative order or judgment applicable to the CAA.

(c) To the best of the CAA's knowledge, there is no pending or threatened litigation or administrative proceeding against or involving the CAA and the CAA does not know of any reason to know of any grounds of any such litigation or proceeding which could have an adverse impact on the City or the City's interest in this Agreement.

(d) In entering into this Agreement, the CAA has not relied upon any written or verbal representation made by the City or any representation regarding the Option Property or any aspect of this Agreement, which are not expressly set forth in this Agreement.

The foregoing representations and warranties shall be continuing and shall be true and correct on and as of the Closing Date with the same force and effect as if made on that date, and all such representations shall survive the Closing.

Section 13. Conditions Precedent to Closing on the Option Property. The obligation of the City to proceed to sell the Option Property to the CAA shall be conditioned on:

(x) All the CAA's representations contained in this Agreement being true and correct as of the date of this Agreement and as of the Closing Date.

(y) The CAA shall not, as of the Closing Date, have failed to satisfy, observe or perform under the terms and conditions of this Agreement.

(z) A plan acceptable to the City for the relocation of its facilities and operations from the Property.

The obligation of the CAA to proceed to acquire the Option Property shall be conditioned on each of the following conditions precedent:

(a) Mutual agreement of the City and the CAA on the size and location of the Option Property within the Property as provided in Section 1 hereof.

(b) The agreement of the City to replace and decommission or cause the replacement and decommissioning of the large 11.5' x 13' sanitary trunk sewer transversing the Option Property.

(c) A plan of the funding of the construction of the Amphitheater is in place, to the satisfaction of the CAA, and the CAA shall have determined that the operation of the Amphitheater at the Option Property is feasible.

(d) The CAA is satisfied that there is adequate pedestrian, vehicular and public transit access to the Option Property.

(e) The purchase of the Option Property shall be approved by (i) the Kent County Board of Commissioners, (ii) the City Commission and (iii) the CAA Board.

(f) The CAA shall have elected to exercise the Option in accordance with Section 4 hereof.

(g) The title and survey provisions of Section 6 hereof shall be satisfied.

(h) The inspection and investigation provisions of Section 8 and 9 hereof shall be satisfied.

(i) At the Closing, the City shall have delivered the documents listed in Section 16 hereof.

(j) All of the City's representations contained in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date and the City shall, on the Closing Date, not have failed to satisfy, observe or perform under the terms and conditions of this Agreement.

Section 14. Payment of Closing Costs. At the Closing, the City shall pay the premium for the issuance of the Title Insurance Policy, the cost of the Survey, all real estate transfer taxes, if any, and one-half (½) of the closing fee charged by the Title Company. The CAA shall pay the cost of recording the covenant deed and one-half (½) of the closing fee charged by the Title Company.

Section 15. Condemnation or Casualty. If prior to Closing, an authority having a right of eminent domain shall commence negotiations with the City or shall commence legal actions

against the City for the taking or acquiring all or any part of the Option Property, either temporarily or permanently by condemnation or by exercise of the right of eminent domain, the City shall immediately give notice to the CAA as set forth in Section 22 hereof and the CAA shall have the right to (i) terminate this Agreement or (ii) proceed to close with an assignment by the City to the CAA of condemnation or settlement proceeds and a reduction of the Purchase Price equal to any proceeds received by the City prior to Closing. In addition, if prior to the Closing, the Option Property is damaged by fire or other casualty, the CAA shall have the right to either (i) terminate this Agreement or (ii) proceed to close with an assignment by the City to the CAA of all insurance proceeds and a reduction in the Purchase Price equal to any proceeds received by the City prior to Closing.

Section 16. Documents to be Furnished by the City on Closing Date.

- (a) A covenant deed for the Option Property.
- (b) Real estate transfer valuation affidavit executed by the City in the form prescribed by the Kent County Register of Deeds.
- (c) Any other document reasonably requested by the CAA, provided that, no such other requested document shall create any liability to the City or increase any liability of the City created by any other document.

Section 17. Obligations of the City Prior to Closing. During the period commencing on the Execution Date of this Agreement and ending on the Closing Date, the City shall:

- (a) Maintain the Option Property in substantially the same condition as on the date of this Agreement.
- (b) Not enter into any agreement, lease, use, occupancy arrangement, easement or other agreement with respect to all or any portion of the Option Property without the CAA's prior written consent.
- (c) Not create, grant or accept any option to purchase, right of first refusal, installment sale agreement or other agreement for the leasing or sale of all or any portion of the Option Property, without the CAA's prior written consent.
- (d) Not create or suffer any right, claim, lien or encumbrance of any kind whatsoever on all or any portion of the Option Property, which would bind the CAA as the successor to the City.
- (e) Maintain the Option Property in compliance with all laws, statutes, ordinances, rules and regulations applicable thereto.
- (f) Not market the Option Property for sale or lease or take any action to solicit or encourage proposals or offers from any person relating to the lease or sale of the Option

Property, *provided, however*, such prohibition shall not apply to that portion of the Property that is not part of the Option Property.

Section 18. Possession of Property on Closing. Possession of the Option Property shall be delivered by the City to the CAA on the Closing Date or such other date mutually agreed to in writing by the designated representatives of the City and the CAA as identified in Section 21 hereof.

Section 19. Default. In the event of a default, by the City of which the CAA has knowledge of, or a default by, the CAA of which the City has knowledge of prior to Closing of either performance or observation of any of the other's duties or obligations under this Agreement, and upon failure of such party to cure such default within thirty (30) days following written notice, given pursuant to Section 22 hereof, from the non-defaulting party at its option and as its sole remedy the non-defaulting party may either (a) terminate this Agreement, and pursue any and all legal or equitable remedies available to it or (b) specifically enforce this Agreement by legal action or otherwise. In the event of a default by one party in which the other party did not have knowledge of prior to Closing, including without limitation, breach of any representation or warranty not discovered until after Closing, and upon failure of the other party to cure such default within thirty (30) days following written notice from the other party, given pursuant to Section 22 hereof, such non-defaulting party shall be entitled to exercise any and all rights and remedies at law or in equity.

Section 20. Broker Commission. The CAA and the City each hereby represent and warrant to the other that it has not dealt with any broker or finder in connection with this transaction and that no commission or fee is due any broker or finder as a result of such party's actions as a result of this transaction. Each of the CAA and the City shall indemnify, defend and hold the other party harmless from any and all claim or claims, or liability for such brokerage commissions or finder's fees arising from the falsity of the representation of such indemnifying party.

Section 21. Designated Representatives. For the purposes of this Agreement the designated representative of the City is the City Manager or his designee and the designated representative of the CAA is its Executive Director.

Section 22. Notices. All notices or demands hereunder shall be in writing and shall be delivered by personal delivery, by first class mail, postage pre-paid, registered or certified, or by recognized national overnight delivery service to the party receiving said notice at the address set forth below. Notices shall be deemed received upon the date of personal delivery or three (3) days after mailing if mailed, or the next business day after being deposited, prepaid with a national overnight delivery service:

If to the City:

City of Grand Rapids
300 Monroe Avenue, N.W.
Grand Rapids, Michigan 49503
Attention: City Manager

If to CAA:

Grand Rapids-Kent County Convention/Arena Authority
130 West Fulton Street
Grand Rapids, Michigan 49503
Attention: Executive Director

or to such other addresses either party may from time to time specify in a written notice to the other in accordance herewith.

Section 23. Attorney's Fees. Should any litigation be commenced between the parties hereto concerning the Option Property, the Option or the right and duties of either in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum, as and for, it's attorney's fees in such litigation which shall be determined by a court in such litigation or in a separate action brought for that purpose.

Section 24. Miscellaneous.

(a) Successors. This Agreement shall inure to the benefit of and bind the parties hereto and their respective successors and assigns.

(b) Entire Agreement. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter contained herein, and there are no representation oral or written related to the real estate involved or to this transaction, which have not been incorporated herein.

(c) Counterparts. This Agreement may be executed in counterparts, each of which shall be considered to be an original document and all of which taken together shall constitute one in the same instrument.

(d) Controlling Law. This Agreement shall be governed by the laws of the State of Michigan.

(e) Assignment. This Agreement may not be assigned without the prior written approval of the City. It is agreed and understood that the City will only consider approval of an assignment of this Agreement by the CAA, including the right to purchase the Option Property for \$48.12 per square foot, if the assignee (i.e. the purchaser of the Option Property) agrees to pay \$5,000,000 towards the cost of relocation of the sanitary trunk sewer on the Option Property. If the assignee does not pay the \$5,000,000, the purchase price for the Option Property will be \$58.00 per square foot.

(f) Time. Time is of the essence for this Agreement.

(g) Memorandum of Option. Upon the CAA's request, the City shall execute a recordable form a Memorandum of Option for use in providing public record notice of this Agreement.

(h) Section Headings. The section headings in this Agreement are for convenience only and are not intended and shall not be construed to limit, enlarge or otherwise affect the scope or intent of this Agreement or the meaning of any provision hereof.

(i) Severability. In the event that any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect any other provisions hereof so that this Agreement is valid and enforceable to the fullest extent permitted by law.

(j) Return of CAA's Share of Cost of New Trunk Sewer. In addition to the applicability of Section 9 of a Memorandum of Understanding (the "MOU") executed in January 2021, between the CAA, City, Amway Hotel Corporation and 63 Market Avenue Holdings, LLC, if (i) the CAA has not closed on the purchase of the Option Property on or before December 31, 2021, or such other date mutually agreed to in writing by the designated representatives of the CAA and City as identified in Section 21 hereof or (ii) the State of Michigan (the "State") shall require that the CAA return to the State the Grant, as identified in the MOU, used to pay the CAA's share of the cost of the New Trunk Sewer, as also identified in the MOU (the "CAA's Share"), the City shall reimburse the CAA the CAA's Share plus any interest earned on the CAA's Share in accordance with terms mutually acceptable by the CAA and City.

IN WITNESS WHEREOF, the City and the CAA have executed this Agreement to be effective on the Execution Date shown in the first paragraph here.

CITY OF GRAND RAPIDS

By: _____
Rosalynn Bliss, Mayor

Attest: _____
Joel H. Hondorp, City Clerk

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

By: _____
Steven R. Heacock, Board Chairperson

EXHIBIT A

Legal Description of Property

- 353 Market Avenue, SW: Parcel #41-13-25-379-007: PART OF E 1/2 SW 1/4 OF SEC 25 T7N R12W & PART OF LOT 2 BLK 23 OF ELLSWORTH ADD DESC AS COM 52 FT SELY ALONG SWLY LINE OF SD LOT 2 FROM MOST WLY COR OF SD LOT 2 TH NWLY ALONG SWLY LINE OF SD LOT 2 & SD SWLY LOT LINE EXT NWLY 100 FT TH NELY PAR WITH NWLY LINE OF ELLSWORTH ADD 25 FT TO SWLY LINE OF NELY 25.0 FT OF LOT 2 BLK 23 EXT NWLY TH SELY ALONG SD EXT SWLY LINE & SD SWLY LINE 141 FT TO NWLY LINE OF MARKET AVE AT A PT 7.0 FT NWLY ALONG SD SWLY LINE FROM SELY LINE OF LOT 2 BLK 23 TH NWLY 48 FT M/L TO BEG *
- 301 Market Avenue, SW: Parcel #41-13-25-379-009: 411325379009 ISLAND NO.3 * SEC 25 T7N R12W ALSO PART OF E 1/2 SW 1/4 & W 1/2 SE 1/4 OF SEC 25 T7N R12W & PART OF ELLSWORTH ADDITION DESC AS - COM AT MOST SLY COR OF LOT 8 BLK 25 OF SD ADD SD PT BEING INT OF WLY LINE OF MARKET ST /60 FT WIDE/ & NLY LINE OF VAC BARTLETT ST /75 FT WIDE/ TH N 42D 24M 28S E ALONG WLY LINE OF SD AVE 200.0 FT TO MOST ELY COR OF LOT 5 BLK 25 OF SD ADD TH N 47D 35M 32S W ALONG NELY LINE OF SD LOT & SD LOT LINE EXT NWLY 129.30 FT TH N 42D 24M 28S E 3.0 FT TH N 47D 35M 32S W 18.70 FT TH N 42D 24M 28S E 257.0 FT TH N 47D 35M 32S W 166.56 FT TH N 37D 54M 28S E 322.30 FT TO WLY LINE OF HWY US131 TH N 7D 01M 14S W ALONG WLY LINE OF SD HWY 222.56 FT TH N 31D 01M 14S W ALONG WLY LINE OF SD HWY 143.63 FT TO ELY DOCK LINE OF GRAND RIVER TH S 36D 26M 42S W ALONG SD DOCK LINE 1044.35 FT TH SWLY 295.40 FT ALONG A 671.64 FT RAD CURVE TO LT /LONG CHORD BEARS S 23D 50M 42S W 293.03 FT/ TH S 11D 14M 52S W 129.75 FT TH SWLY 104.70 FT ALONG A 306.05 FT RAD CURVE TO RT /LONG CHORD BEARS S 21D 02M 43S W 104.18 FT/ TO NELY LINE OF C&O RR R/W /30

- FT WIDE/ TH S 32D 39M 43S E ALONG SD RR R/W 28.23 FT TH SELY 168.63 FT ALONG A 701.78 FT RAD CURVE TO LT /LONG CHORD BEARS S 39D 32M 44S E 168.23 FT/ ON SD RR R/W TO A PT 148.0 FT N 47D 35M 32S W FROM WLY LINE OF MARKET AVE /60 FT WIDE/ TH N 42D 24M 28S E 31.04 FT TO SLY LINE OF NLY 25.0 FT OF LOT 2 BLK 23 OF SD ADD SD SLY LINE BEING THE NELY LINE OF C&O RR R/W /65 FT WIDE/ TH S 47D 35M 32S E TO WLY LINE OF MARKET AVE TH NELY ALONG WLY LINE OF SD AVE TO BEG * SPLIT ON 05/29/2007 FROM 41-13-25-379-008;
- 233 Market Avenue, SW: Parcel #41-13-25-455-005: LOTS 1, 2, 3, & 4 BLK 25 * ELLSWORTH ADDITION ALSO PART OF SE 1/4 COM AT MOST NLY COR OF LOT 1 OF ELLSWORTH ADDITION TH NWLY ALONG NELY LINE OF SD LOT EXT NWLY 48 FT TH SWLY PAR WITH NWLY LINE OF MARKET AVE /60 FT WIDE/ 197 FT TH SELY PAR WITH EXT NELY LINE OF SD LOT 18.70 FT TH SWLY PAR WITH NWLY LINE OF MARKET AVE 3.0 FT TH SELY PAR WITH EXT NELY LINE OF SD LOT 29.30 FT TO MOST WLY COR OF LOT 4 OF ELLSWORTH ADDITION TH NELY 200 FT ALONG NWLY LINES OF LOTS 4, 3, 2, & 1 TO BEG * SEC 25 T7N R12W 0.21 A.
 - 201 Market Avenue, SW: Parcel #41-13-25-451-001: 411325451001 LOT 5 BLK 26 & THAT PART OF LOTS 1, 2, 3 & 4 BLK 26 LYING W OF MARKET AVE * ELLSWORTH ADDITION ALSO PART OF SEC 25 T7N R12W COM AT SWLY COR SD LOT 5 TH NWLY ALONG SLY LINE SD LOT 5 PRODUCED WLY 48 FT TH NELY PAR WLY LINE MARKET AVE AS ORIGINALLY PLATTED TO THE INTERSECTION OF NLY LINE SD LOT 1 PRODUCED WLY TH N 33D 34M 14S W 25 FT TH S 62D 41M 58S E 100.91 FT TO A PT ON N LINE SD LOT 1 TH WLY ALONG N LINE SD LOT 1 TO NW COR SD LOT 1 TH SWLY TO BEG ALSO PART OF SEC 25 COM ON NELY LINE OF WILLIAMS ST EXT WLY AT A PT 148 FT WLY FROM WLY LINE OF MARKET AVE TH NWLY 166.56 FT ALONG NELY LINE OF WILLIAMS ST EXT TH N 85D 30M 322.30 FT TO SLY LINE OF HWY US-131 TH SELY ALONG SD HWY LINE TO A PT 48 FT W LY AT RT ANGLES TO W LY LINE OF BLK 26 OF ELLSWORTH ADDITION TH SLY 238.8 FT M/L PAR WITH WLY LINE OF SD BLK 26 TO BEG *
 - 225 Market Avenue, SW: Parcel #41-13-25-451-002: LOT 6 BLK 26* ELLSWORTH ADDITION* & PART OF SEC 25 T7N R12W COM AT NW LY COR SD LOT 6 TH NW LY ALONG N LY LINE SD LOT 6 PRODUCED W LY 48 FT TH SW LY PAR W LY LINE MARKET AVE 50 FT TH SE LY PAR 1ST COURSE 48 FT TH NE LY TO BEG