



# Agenda

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## Board of Directors

**Friday, January 8, 2016**

**Following CAA Operations Committee Meeting**

**Kent County Commission Chambers**

**300 Monroe Avenue, NW, Grand Rapids, MI**

- |    |   |                |
|----|---|----------------|
| 1. | Call to Order   | Steve Heacock  |
| 2. | Minutes of December 4, 2015   | Action         |
| 3. | Election of Officers  | Action         |
| 4. | Committee Reports   |                |
|    | A. Operations Committee   |                |
|    | B. Finance Committee  |                |
|    | i. Acceptance of November 2015 Consolidated Financial Statements  | Action         |
|    | ii. SMG – Nov. 2015 Van Andel Arena® and DeVos Place® Financials  | Information    |
| 5. | Resolution to Extend the Term of the Food and Beverage Services Agreement with SMG Food and Beverage, LLC for the Second Renewal Term | Action         |
| 6. | FY 2015 State of the CAA Report   | Steve Heacock  |
| 7. | SMG Report and Facilities Calendars   | Rich MacKeigan |
| 8. | Public Comment  |                |
| 9. | Adjournment   |                |

**Next Meeting Date: Friday, February 5, 2016**  
**Following CAA Finance Committee Meeting**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
JOINT MEETING OF  
BOARD OF DIRECTORS AND COMMITTEES  
Friday, December 4, 2015**

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

Members Absent: George Heartwell

Finance Committee: Jill Ferris  
Robert Herr  
David Hoogendoorn  
Joe Jones  
Jana Wallace

Operations Committee: Scott Buhner  
John Canepa  
Glenn Del Vecchio  
John Van Fossen

Liaison Committee: Rosalynn Bliss  
Diane Jones

Community  
Inclusion Group: Evette Pittman

Staff/Others: Kathy Bart SMG  
Tom Bennett Experience Grand Rapids  
Anne Berquist Opera Grand Rapids  
Jeff Dubin SAVOR  
Scott Gorsline DP Fox  
Tim Gortsema Grand Rapids Griffins  
Mike Guswiler West Michigan Sports Commission  
Stacie Hackney SMG  
Lynne Ike SMG  
Janet Korn Experience Grand Rapids  
Chris Machuta SMG  
Rich MacKeigan SMG  
Drew Nikodem IATSE  
Kyle Post SMG  
Joe Romano SMG  
Doug Small Experience Grand Rapids  
Greg Sundstrom City of Grand Rapids  
Eddie Tadlock SMG  
Susan Waddell CAA

Jim Watt  
Richard Wendt  
Robert White  
Paul Ymker

SMG  
Dickinson Wright  
CAA  
BlueWater Technologies

## **1. Call to Order and Chairman's Comments**

Steve Heacock, Chairperson, called the meeting to order at 7:45 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes. Chair Heacock stated that joint CAA Board and Committee meetings will be held twice per year – one at budget time and one at year end with CAA business partners. Chair Heacock is delighted at another successful year thanks to Rich, SMG staff, and CAA Board Members. He thanked the committee members for their commitment and hard work; the work of the CAA could not be accomplished without their volunteerism. Chair Heacock read a thank you letter from David Eisler, President of Ferris State University. Ferris received the Chairman's Award at the International Wine, Beer & Food Festival.

## **2. Business Partner Presentations**

### **A. Experience Grand Rapids**

Mr. Tom Bennett, Vice President of Sales and Service, stated that the mission of Experience Grand Rapids is to strengthen the region's economic vitality and quality of life by marketing Grand Rapids/Kent County as a preferred visitor destination. The organization has 27 full time staff members (including Washington D.C. office), 14 part time staff members, and five college interns. Departments include Convention Sales and Services, Marketing, and Administration. The leadership team includes Doug Small- President/CEO, Janet Korn- Senior Vice President, Tom Bennett- Vice President Sales and Services, Kim Young- Vice President of Information Systems, and Dan Jonkman- Vice President of Finance & Administration. ExGR's 2016-18 strategic plan goals include: (i) advocate for destination improvements that will improve the visitor industry; (ii) expand organizational resources; (iii) embrace new technologies and training; (iv) embrace diversity for the benefit of the visitor economy; and (v) enhance community awareness and engagement. Funding sources for ExGR include Kent County, private and other investment, as well as grant revenue and group sponsorships. As a partner, Kent County has assisted with booking convention business, such as the American Jail Association, National Sheriffs Association, International Association of Assessing Officers, and others.

Mr. Bennett presented financial comparisons and convention sales results. Room nights booked in FY 2014 totaled 140,254, and 125,408 room nights have been booked through 11/24/15. The CVB is projecting 147,000+ room nights for FY 2015 year end. Occupancy rate in Grand Rapids for FY 2014 was at 67.3% and now it is at 70.0%, which is the highest in the entire United States. Mr. Winn added that 70.0% is a key statistic, as it is countywide and not just downtown. Room revenue in 2012 totaled \$133,000 million and will jump to \$179,000 million in 2015, according to projections. The CVB has seen its budget grow from \$4.39 million in 2010 to \$9.59 million (proposed) in 2016. Investment in the West Michigan Sports Commission has grown from \$505,728 in 2013 to \$674,000 in the 2016 budget.

Ms. Janet Korn, Senior Vice President, presented the marketing investments. The CVB has a new website at [ExperienceGR.com](http://ExperienceGR.com), which has resulted in significant mobile traffic growth and the CVB is now socializing its content. A blog gets e-mailed to a subscriber list, the Simpleview SEM team creates meta tags, blog posts are scheduled to post to Facebook and/or Twitter, and all leisure blog posts are promoted using custom targeted audiences for four dates at \$100/day. The CVB's partnership with Pure Michigan has made a significant dent in spending and investment. The Grand Rapids campaign generated 756,600 incremental visits and generated over \$206 million in incremental spending.

Advertising is driving between 7%-9% of overnight travel to Grand Rapids. Pure Michigan's 2014 investment was \$800,000 and is \$916,000 in 2015. Craft beer tourism is really taking off in Grand Rapids: 42,246 craft beer tourists annually with \$12.3 million economic output. The CVB has put together the Beer City Ale Trail, along with the Brewsader Passport. Additional marketing highlights for 2015 include: 102 journalists/bloggers hosted; 2,000+ trained CTA's, Grand Rapids Food Trail, Restaurant Week donated \$18,217 to the GRCC culinary student scholarship, and Grand Rapids hosted the first annual Cocktail Week. The CVB has moved to the fifth floor of the PNC Bank Building.

## **B. Grand Rapids Griffins**

Mr. Tim Gortsema, President, presented the Grand Rapids Griffins by the numbers. Now in its season, the Griffins have had 151 players called to the NHL. Game attendance has increased for five consecutive years, from a 7,000 game average in 2009-10 to an 8,000+ average in 2014-2015. Last year, the Griffins finished fifth of 30 teams (Griffins typically finish in the top 5 of the league). Since starting in 1996, the Griffins have collected 11 different awards for its team and staff. The Griffins have 244 full- and part-time staff members. Almost 741,000 hot dogs have been consumed during the \$1 hot dog/\$1 beer nights (now \$2 each) since the promotion began, stretching 70 miles end to end. Nearly 1.5 million beers have been sold, enough to fill 27 swimming pools. Since 1999, the Griffins have won seven Division Championships and won the Calder Cup Championship in 2013. Mr. Gortsema introduced the coaching staff: Todd Nelson, head coach and the Griffin signed in 1996; Bruce Ramsay, assistant coach; Mike Knuble, assistant coach, and Ben Simon, assistant coach. Coach Nelson stated that, although the Griffins had a tough start this year, things are turning around.

## **C. Opera Grand Rapids**

Ms. Anne Berquist, Executive Director, stated the mission of Opera Grand Rapids is to foster and fulfill demand for high quality live opera in West Michigan. Opera Grand Rapids, known for creating exceptional performance art and producing exciting and magical experiences and enriching lives, is vital for our community and West Michigan. By connecting with the community through collaborations, we attract and engage a broad range of people in a way that inspires them to return. The Opera's values include excellence, creativity, diversity, and accessibility. The current season is A Season of Love - focused, thematic (a condensed schedule to build excitement), features grand operas as staples of the seasons, presents eclectic offerings to grow the audience, and has built-in economies of scale. Operas to be presented in 2016 include Orpheus and Eurydice that will feature dancers from Hope College (April 8/9), Romeo and Juliet (April 29/30), and The Student Prince (6/9,10,12). There has been a change in branding to be more youthful and actual and to portray Opera in the century. The photo advertising The Student Prince was taken at Brewery Vivant and promotes beer and opera. Each stage performance will be presented in a different venue. Growth strategies are to (i) increase programming diversity by expanding options targeting different options, using various community venues, and offering a recital series; (ii) break barriers and educate audiences with flash mobs, an emerging artist program, a school of the viewer series, and offer Opera 101; and (iii) use the Betty Van Andel Opera Center as performance space. In summary, the Opera's season is a carefully curated, continually enriching and evolving series that will expound on themes drawn from the principal opera, Romeo and Juliet. The plan Opera has put in place aims to generate fresh excitement in its current audience and the audiences it has yet to discover.

## **D. SMG**

Mr. Joe Romano, Senior Vice President, Stadiums and Arenas at SMG, provided a corporate overview. SMG has provided private management to public facilities for the past 37 years. SMG manages 243 public facilities that include stadiums, arenas, theaters, convention centers, and special purpose facilities. Its client base includes governments, universities, and sports teams. SMG is proud to maintain a 92%

renewal rate with existing clients. SMG full-range of facility management services include event booking, marketing & sales, guest services, maintenance & engineering, facility operations, finance & accounting, purchasing & procurement, parking, vendor management, staffing, and food services. Additional services offered are pre-opening consulting, design review, FF&E procurement, and DAS&WiFi consulting. As part of SMG's management services to clients, SMG staff has access to proprietary programs unique to SMG and incorporate best practices developed through years of experience. K'nekt is a sales and customer service program, Altum is an operations tracking program for asset management, OPS is an intranet program, and SMGBooking allows access to multiple schedules at different venues.

SMG's convention center division manages a portfolio of 70+ convention centers comprising 15+ million square feet, which is 13 million more than its nearest competitor, and 74 meeting & exhibition venues. SMG uses a proven operational approach based on a hotel industry model that has Hyatt roots. It is the only unified approach for all disciplines that encompasses constructive engagement with CVBs and hoteliers. SMG's stadium and arena division maintains a leadership position in the industry. Its diverse portfolio of facilities include: 2 NBA arenas, 37 minor league hockey arenas, 5 NFL stadiums, 3 minor league baseball stadiums, and multiple collegiate arenas. A new program relative to benchmarking is a customer satisfaction survey. SMG in Grand Rapids mails e-mails every patron that bought a ticket after each event to provide the survey. The Grand Rapids Griffins have been added this year. SMG places ad in national trade magazines to thank touring artists, which keeps SMG front of mind with promoters. Promoters can route with SMG for multiples dates and one person. SMG Savor food and beverage services have grown from 24 accounts in 2000 to 134 accounts in 2014. In addition to managing concessions and suites, Savor caters premium and special events. Mr. Romano concluded his remarks by stating that SMG is so appreciative of the exceptional relationship it has shared with Grand Rapids and the CAA

#### **E. West Michigan Sports Commission**

Mr. Mike Guswiler, President, stated that WMSC's mission is to Promote Michigan's West Coast as the premier venue for hosting a diverse level of youth and amateur sporting events, enhancing the economy and quality of life in the region. During its eight-year existence, the WMSC has booked or assisted 490 sporting events and tournaments, attracted more than 680,000 athlete and spectator visitors to the region, and generated more than \$186+ million in direct visitor spending in West Michigan. Recent and upcoming major events include: March 2015/2017 -NCAA DIII Women's Basketball Championships; May 2015 -NCAA DII Outdoor Track & Field Championships; June 2015 -MJVBA Indoor Volleyball State Championships; July 2015 -Game Day USA National Baseball Championships; October 2015 - USA Swimming Synchro National Championships; November 2015/2017 -NCAA DIII Women's Volleyball; December 2015 -Gymnastics on the Grand Invitational; April 2016 -National Assn. of Sports Commissions Symposium; March 2016 -Western Collegiate Hockey Assn. -Final Five; July 2016 -USA Track and Field Outdoor Masters; and August 2017 -State Games of America. Sports tourism is trending upward and the WMSC has contributed positively to hotel room production. In 2012, hotel occupancy was at 60.60% and in October 2015 was 70%, while room revenue in 2012 was \$133 million and is projected to be \$171 million in 2015.

Major opportunities for the WMSC in 2016/17 include the 2016 National Association of Sports Commission-sports event symposium scheduled April 3-7, 2016, at DeVos Place®. This conference will attract 1,000 attendees. The National Congress of State Games-State Games of America has been book for August 3-6, 2017. An estimated 5,000 room nights will be utilized during the State Games of America. WMSC's signature event, the Meijer State Games, has enjoyed great success. In 2010, 15 sports were represented and in 2015 59 sports will be represented. The number of participating athletes has grown from 3,500 in 2010 to 9,939 in 2015. Direct visitor spending has more than doubled, with \$1.4

million in 2010 and \$3.0 million in 2015. The new Art Van Sports complex hosted 18 tournaments from last April – October, with 7,614 participants and 20,000+ spectators. The economic impact during this period is estimated at \$3 million in direct spending. Chair Heacock commented that it is phenomenal and exciting that so much has happened in eight short years.

Chair Heacock thanked the business partners for the excellent and educational presentations.

### **3. Minutes of Prior Meetings**

*Motion by Mr. Chamberlin, support by Mr. Wilson, to approve the October 2, 2015, Minutes. Motion carried.*

### **4. Committee Reports**

#### **A. Operations Committee**

Mr. Chamberlin stated there was nothing new to report since the October 2, 2015, meeting.

#### **B. Finance Committee**

- i. Financial Statements and Supplementary Information for the Years Ended June 30, 2015 and 2014 – BDO USA, LLP

Mr. Robert White presented the FY 2014 audited financial statements and stated that BDO had issued a clean, “unmodified” opinion. Mr. White referred to the statement of net position on page 6. The statement of net position showed that total assets increased approximately \$730,000 from 2014 to 2015, while total liabilities decreased (\$44,371). Of the \$23.2 million in net position, \$21.8 million is unrestricted. The statement of changes in net position showed a change from (\$2,180,330) in 2014 to \$774,626 in 2015. The statement of revenues on page 12 illustrated that operating revenue increased \$1,412,594 from 2014 to 2015, while operating expenses decreased by \$1.2 million for the same period. The decrease in expenses is mainly due to capital projects that were not completed or came in under budget.

*Motion by Mr. Winn, support by Ms. Klohs, to accept the Financial Statements and Supplementary Information for Years Ended June 30, 2015 and 2014 – BDO USA, LLP. Motion carried.*

- ii. Audit Wrap-Up Letter for the Year Ended June 30, 2015

Mr. Robert White presented the Audit Wrap-Up Communication. BDO did not express an opinion on the effectiveness of the CAA’s internal control. BDO found no material corrected misstatements or unrecorded misstatements. All records and information requested by BDO were freely available for inspection. Management and other personnel provided full cooperation. The objective of the audit was met; that is, to obtain reasonable assurance about whether the financial statements were free from material misstatements. The CAA’s significant accounting practices, estimates, and financial statement disclosures were determined to be in accordance with generally accepted accounting principles. There were no disagreements with management and no discussions concerning material alternative accounting treatments. There were no significant difficulties encountered during the course of the audit. There were no other issues arising from the audit significant and relevant to those charged with governance.

iii. Consolidated Financial Report, for the Year Ended June 30, 2015,  
Recap – Budget to Actual

Mr. Robert White stated that the report was included as an information item. As originally adopted, the FY 2014 budget forecasted a (\$1,157,995) draw on unrestricted fund balance. Upon completion of the fiscal year and release of the audited financial statements, it was determined that the CAA had generated a net income of \$736,236 applied to its unrestricted fund balance. The original Van Andel Arena® budget forecast a 3.2% increase in operating revenues over previous year. At fiscal year end, the facility recorded \$5.8 million in actual operating revenues, representing a 22.6% increase from prior year. DeVos Place® forecast a decline in operating revenues of (4.3). Increased activity at the facility resulted in an actual increase of 2.1% over prior year. Broadway Grand Rapids made a year-end contribution of \$110,000 for the DeVos Performance Hall infrastructure improvements. The CAA received \$65,349 of HUD grant reimbursements for completion of a roadway improvements study. The diversity line item included an allocation of \$75,000 for sponsorship of a concert. The expense was incurred in FY 2016. The budget included an allowance of \$40,000 for F&B repair/replacement that was not expended in FY 2015. The original budget included a capital spending allowance of \$1,814,000. Two projects, with appropriations totaling \$312,000 were not completed and carrier over to the FY 2016 budget. All other projects were completed at a net savings of \$372,057.

iv. Acceptance of October 2015 Consolidated Financial Statements

Mr. White reviewed the year-to-date financial dashboard for the period ended October 31, 2015. The Dashboard illustrates that Arena concerts year-to-date comprise 83% of event revenues, while convention/trade shows comprise 48% of event revenues at DeVos Place®. At the Arena, seven concerts generated \$662,907 in event revenue, a decrease of 4.9% from prior year (six concerts) of \$697,072. Net proceeds of \$208,476 decreased by 28% from prior year of \$289,611. DeVos Place® convention/trade show business generated \$786,553 in event revenue, an increase of 16.2% over prior year (attendance up from 43,425 to 49,060) of \$676,799. Net cost of (\$136,553) improved by 69.9% over prior year (\$453,278).

*Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the October 2015 Consolidated Financial Statements. Motion carried.*

v. SMG October 2015 Van Andel Arena® and DeVos Place®  
Financial Statements

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

**5. Resolution to Extend Term of SMG Management Agreement for the Second Renewal Term, Authorize Notification to SMG, and Approve and Authorize Execution of Second Amendment to SMG Management Agreement**

*Board member Mr. Heacock, supported by Board member Mr. Winn, moved the adoption of the following resolution:*

*WHEREAS, the Grand Rapids – Kent County Convention/Arena Authority (the “CAA”) and SMG have entered into a Management Agreement (the “Agreement”), and a First Addendum to Management Agreement (the “First Addendum” and collectively with the Agreement the “Management Agreement”) both dated and effective July 1, 2011, related to the promotion, operation, maintenance,*

*marketing and management of the Van Andel Arena and DeVos Place and the performance of the additional services as set forth in Attachment A to the First Addendum; and*

**WHEREAS**, *the Initial Term of the Management Agreement ended on June 30, 2014; and*

**WHEREAS**, *the CAA and SMG have entered into a First Amendment to Management Agreement dated as of November 15, 2013, extending the term of the Management Agreement, pursuant to Section 3.1(b) for two additional years ending June 30, 2016, the First Renewal Term; and*

**WHEREAS**, *Section 3.1(b) of the Agreement provides that the CAA Board of Directors (the “CAA Board”), in its sole discretion, may extend the term of the Management Agreement for a Second Renewal Term, i.e. commencing July 1, 2016, and ending June 30, 2018, upon not less than 180 days’ written notice to SMG prior to the end of the First Renewal Term; and*

**WHEREAS**, *the CAA desires to extend the term of the Management Agreement for the period of the Second Renewal Term and to direct that written notice of said election be given to SMG not less than 180 days prior to the end of the First Renewal Term; and*

**WHEREAS**, *the CAA further desires to approve and authorize the execution of a Second Amendment to Management Agreement (the “Second Amendment”) extending the term of the Agreement for the period of the Second Renewal Term.*

**NOW, THEREFORE, BE IT RESOLVED:**

1. *That the CAA Board elects to extend the term of the Management Agreement, i.e. both the Agreement and the First Addendum, for the period of the Second Renewal Term, i.e. July 1, 2016, through June 30, 2018, pursuant to Section 3.1(b) of the Agreement.*

2. *That the Administrative Manager of the CAA is directed to provide written notice of such election not less than 180 days prior to June 30, 2016, in accordance with Sections 3.1(b) and 13.8 of the Agreement.*

3. *That the Second Amendment in the form presented at this meeting is approved with such modifications not materially adverse to the CAA approved as to content by the Chairperson of the CAA Board (the “Chairperson”) or his designee and as to form by legal counsel and the Chairperson is authorized and directed to execute the approved Second Amendment for and on behalf of the CAA*

4. *That all resolutions and parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.*

**RESOLUTION DECLARED UNANIMOUSLY ADOPTED.**

**6. 2016 Proposed Meeting Schedule**

Robert White proposed a 2016 meeting schedule for the CAA Board, Finance Committee, and Operations Committee.

*Motion: Ms. Klohs, supported by Mr. Chamberlin, moved to approve the 2016 meeting schedule.  
Motion carried.*



**7. SMG Report and Facilities Calendars**

Mr. MacKeigan thanked the CAA Board for approving extension of the SMG Management Agreement. The new Wi-Fi system is installed and is being used the first time today. Wi-Fi should be fully operational for the December 18 Griffins game. The venues continue to be very active. Between now and December 18, there will be 10 on-sales. Mr. MacKeigan summarized the event calendars for the venues.

**8. Public Comment**

None.

**8. Adjournment**

The meeting adjourned at 9:35 a.m.

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Richard A. Winn, Recording Secretary



## Memorandum

**To:** CAA Board Members  
**From:** Susan Waddell, Administrative Manager  
**Date:** January 4, 2016  
**Re:** Election of Officers

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According to Section 5.1 of the CAA Bylaws, the officers of the Board are the Chairperson, Vice Chairperson, Secretary and Treasurer. The Chairperson and Vice Chairperson shall be selected by the Board from its directors. The Secretary and Treasurer shall be selected by the Board but need not be directors of the Board. The same person may hold the office of Secretary and Treasurer.

The Bylaws also provide that officers shall be elected at the initial organizational meeting of the Board and biannually at the Board meeting in January of every second year thereafter. The first officers were elected at the inaugural Board meeting on April 18, 2000. An election of officers should be held for terms expiring in January 2016.

The current officers are:

Chairman	Steve Heacock
Vice Chairperson	Birgit Klohs
Secretary/Treasurer	Richard Winn

Recommended slate:

Chairman	Steve Heacock
Vice Chairman	Birgit Klohs
Secretary/Treasurer	Richard Winn

**Action Requested:** Elect officers of the Board for terms expiring in January 2018.

**Grand Rapids-Kent County  
Convention/Arena Authority  
Consolidated Financial Report  
November 30, 2015**

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**Financial Dashboard  
Year-To-Date (5 Months)  
FY2016  
November 30, 2015**

<b>Van Andel Arena®</b>						
	<b>All Events</b>			<b>Concert</b>		
	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
<b>Events</b>	29	27	30	6	11	10
<b>Attendance</b>	143,387	175,500	147,518	60,369	93,500	69,123
<b>Event Income</b>	\$ 924,328	\$ 1,108,640	\$ 980,117	\$ 695,457	\$ 906,334	\$ 781,023
<b>DeVos Place®</b>						
	<b>All Events</b>			<b>Convention/Trade</b>		
	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
<b>Events</b>	195	174	179	67	53	54
<b>Attendance</b>	161,903	159,146	175,926	55,790	53,000	60,160
<b>Event Income</b>	\$ 2,100,020	\$ 2,179,993	\$ 2,199,411	\$ 1,034,154	\$ 1,102,082	\$ 1,054,624
				<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
<b>Operating Income (Loss)</b>				\$ (228,980)	\$ (130,296)	\$ 30,935
<b>Capital/Repair/Replacement</b>				(341,423)	(1,368,664)	(1,368,664)
<b>Net - To/(From) on Fund Balance</b>				\$ (570,403)	\$ (1,498,960)	\$ (1,337,729)

\*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2015\*

\$ 21,896,324

**Grand Rapids-Kent County Convention/Arena Authority**  
**Summary by Facility/Other**  
**Fiscal Year Ending June 30, 2016**

	<b>FY 2016</b>				<b>FY 2015</b>
	<b>7/1 - 11/30 Year-to-Date</b>	<b>Roll</b>	<b>Full-Year Estimate</b>	<b>Budget</b>	<b>Prior Year</b>
<b>Van Andel Arena</b>					
Operating - Revenues	\$ 1,925,396	\$ 3,135,180	\$ 5,060,576	\$ 5,073,448	\$ 5,789,536
- Expenses - Facilities	(1,645,698)	(2,480,949)	(4,126,647)	(4,122,352)	(4,077,497)
- Base Management Fees	(71,642)	(100,128)	(171,770)	(176,065)	(171,770)
- Incentive Fee	-	(2,402)	(2,402)	(5,552)	(109,538)
Net Operating Income (Loss)	208,056	551,701	759,757	769,479	1,430,731
Parking	68,826	130,174	199,000	160,084	162,279
Pedestrian Safety	(15,713)	(92,287)	(108,000)	(108,000)	(92,151)
<b>Net Proceeds (Cost) of VAA</b>	<b>261,169</b>	<b>589,588</b>	<b>850,757</b>	<b>821,563</b>	<b>1,500,859</b>
<b>DeVos Place Convention Center</b>					
Operating - Revenues	2,218,631	3,735,179	5,953,810	5,913,710	6,086,652
- Expenses - Facilities	(2,320,730)	(3,425,971)	(5,746,701)	(5,742,406)	(5,888,576)
- Base Management Fees	(71,642)	(100,128)	(171,770)	(176,065)	(171,770)
- Incentive Fee	-	(341,482)	(341,482)	(346,578)	(234,002)
Net Operating Income (Loss)	(173,741)	(132,402)	(306,143)	(351,339)	(207,696)
Parking	250,075	665,164	915,239	915,239	933,496
Pedestrian Safety	(11,097)	(54,903)	(66,000)	(66,000)	(51,417)
<b>Net Proceeds (Cost) of DVP</b>	<b>65,237</b>	<b>477,859</b>	<b>543,096</b>	<b>497,900</b>	<b>- 674,383</b>
<b>Other</b>					
Revenues	41,835	143,165	185,000	185,000	374,174
Expenses	(337,306)	(500,144)	(837,450)	(962,450) <sup>(1)</sup>	(683,237)
Net Other	(295,471)	(356,979)	(652,450)	(777,450)	(309,063)
		-			
<b>Total Net Proceeds/Operating</b>	<b>30,935</b>	<b>710,468</b>	<b>741,403</b>	<b>542,013</b>	<b>1,866,179</b>
Capital Expenditures	(1,368,664)	(1,345,336)	(2,714,000)	(2,774,000) <sup>(1)</sup>	(1,129,943)
<b>Results Net of Capital Expenditures</b>	<b>\$ (1,337,729)</b>	<b>\$ (634,868)</b>	<b>\$ (1,972,597)</b>	<b>\$ (2,231,987)</b>	<b>\$ 736,236</b>

Notes:

(1)

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

**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Financial Trends for Year Ending June 30, 2016**

	Annual			Year-To-Date		
	FY 2015	FY 2016	Percentage	FY 2015	FY 2016	Percentage
	Final	Budget	Change	7/1 - 11/30	7/1 - 11/30	Change
<b>Van Andel Arena</b>						
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	(12.4)	\$ 1,854,257	\$ 1,925,396	3.8
- Expenses - Facilities	(4,077,497)	(4,122,352)	(1.1)	(1,642,312)	(1,645,698)	(0.2)
- Base Management Fees	(171,770)	(176,065)	(2.5)	(71,571)	(71,642)	(0.1)
- Incentive Fee	(109,538)	(5,552)	94.9	-	-	-
Net Operating Income (Loss)	1,430,731	769,479	(46.2)	140,374	208,056	48.2
Parking	162,279	160,084	(1.4)	53,048	68,826	29.7
Pedestrian Safety	(92,151)	(108,000)	(17.2)	(17,666)	(15,713)	11.1
<b>Net Proceeds (Cost) of VAA</b>	<b>1,500,859</b>	<b>821,563</b>	<b>(45.3)</b>	<b>175,756</b>	<b>261,169</b>	<b>48.6</b>
<b>DeVos Place Convention Center</b>						
Operating - Revenues	6,086,652	5,913,710	(2.8)	2,116,548	2,218,631	4.8
- Expenses - Facilities	(5,888,576)	(5,742,406)	2.5	(2,395,495)	(2,320,730)	3.1
- Base Management Fees	(171,770)	(176,065)	(2.5)	(71,571)	(71,642)	(0.1)
- Incentive Fee	(234,002)	(346,578)	(48.1)	-	-	-
Net Operating Loss	(207,696)	(351,339)	(69.2)	(350,518)	(173,741)	50.4
Parking	933,496	915,239	(2.0)	170,709	250,075	46.5
Pedestrian Safety	(51,417)	(66,000)	(28.4)	(6,547)	(11,097)	(69.5)
<b>Net Proceeds (Cost) of DVP</b>	<b>674,383</b>	<b>497,900</b>	<b>(26.2)</b>	<b>(186,356)</b>	<b>65,237</b>	<b>135.0</b>
<b>Other</b>						
Revenues	374,174	185,000	(50.6)	51,896	41,835	(19.4)
Expenses	(683,237)	(962,450)	(40.9)	(270,276)	(337,306)	(24.8)
Net Other	(309,063)	(777,450)	(151.6)	(218,380)	(295,471)	(35.3)
<b>Total Net Proceeds/Operating</b>	<b>1,866,179</b>	<b>542,013</b>		<b>(228,980)</b>	<b>30,935</b>	
Capital/Repair Expenditures	(1,129,943)	(2,774,000)		(341,423)	(1,368,664)	
<b>Results Net of Capital Expenditures</b>	<b>\$ 736,236</b>	<b>\$ (2,231,987)</b>		<b>\$ (570,403)</b>	<b>\$ (1,337,729)</b>	

## Significant Notes

### Van Andel Arena®

- Page 1 - Ten concerts generated \$781,023 in event revenue, an increase of 12.3% from prior year (6 concerts) of \$695,457.
- Page 3 - Net proceeds, of \$261,169, increased by 48.6% from prior year of \$175,756.

### DeVos Place®

- Page 1 - Convention/trade show business generated \$1,054,624 in event revenue, an increase of 2.0% over prior year (attendance up from 55,790 to 60,160) of \$1,034,154.
- Page 3 - Net "proceeds," of \$65,237, improved by 135.0% over prior year "cost" of (\$186,356).

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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	30	68	98	98	-
ATTENDANCE	147,518	415,482	548,000	563,000	(15,000)
DIRECT EVENT INCOME	403,166	766,659	1,207,613	1,169,825	37,788
ANCILLARY INCOME	381,233	957,010	1,298,955	1,338,243	(39,288)
TICKETING REBATES	195,718	326,872	498,291	522,590	(24,299)
<b>TOTAL EVENT INCOME</b>	<b>980,117</b>	<b>2,050,541</b>	<b>3,004,859</b>	<b>3,030,658</b>	<b>(25,799)</b>
TOTAL OTHER INCOME	945,279	1,097,511	2,055,717	2,042,790	12,927
<b>TOTAL INCOME</b>	<b>1,925,396</b>	<b>3,148,052</b>	<b>5,060,576</b>	<b>5,073,448</b>	<b>(12,872)</b>
INDIRECT EXPENSES					
EXECUTIVE	79,696	128,065	207,761	207,761	-
FINANCE	94,999	142,779	237,778	237,778	-
MARKETING	121,631	210,358	331,989	331,989	-
OPERATIONS	771,659	998,697	1,770,356	1,770,356	-
BOX OFFICE	61,548	89,695	151,243	151,243	-
LUXURY SEATING	18,933	79,866	98,799	98,799	-
SKYWALK ADMIN	15,835	35,825	51,660	51,660	-
OVERHEAD	553,040	895,791	1,448,831	1,448,831	-
<b>TOTAL INDIRECT EXP.</b>	<b>1,717,343</b>	<b>2,581,076</b>	<b>4,298,417</b>	<b>4,298,417</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>208,053</b>	<b>566,976</b>	<b>762,159</b>	<b>775,031</b>	<b>(12,872)</b>
LESS INCENTIVE FEE		2,402	2,402	5,552	3,150
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>208,053</b>	<b>564,574</b>	<b>759,757</b>	<b>769,479</b>	<b>(9,722)</b>

Comments:

November was a relatively busy month for the Arena with well attended Griffins games and 3 concerts that all sold well as compared to the tours, however, not high revenue producing concerts leading to an overall shortfall for the month as compared to budget.

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General Manager

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Director of Finance



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

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

<b>MONTH</b>	November Actual	November Budget	November FY 2015
Number of Events	10	9	9
Attendance	52,067	61,500	30,147
Direct Event Income	\$42,668	\$110,490	(\$5,795)
Ancillary Income	109,637	163,308	61,977
Other Event Income	28,789	66,330	2,566
Other Operating Income	184,913	182,556	147,707
Indirect Expenses	(308,966)	(358,200)	(315,410)
Net Income	<u>\$57,041</u>	<u>\$164,484</u>	<u>(\$108,955)</u>

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	30	27	29
Attendance	147,518	175,500	143,387
Direct Event Income	\$403,166	\$398,484	\$274,133
Ancillary Income	381,233	466,946	428,038
Other Event Income	195,718	243,210	222,157
Other Operating Income	945,279	864,540	929,929
Indirect Expenses	(1,717,340)	(1,791,000)	(1,713,883)
Net Income	<u>\$208,056</u>	<u>\$182,180</u>	<u>\$140,374</u>

**EVENT INCOME**

Event income fell below budget as the concerts hosted, while each successful, fell below normal concert average.

**ANCILLARY INCOME**

Ancillary income fell below expectations as the lower than average attendance for concerts, combined with the lower per cap spending due to nature of show, led to lower F&B revenue.

**INDIRECT EXPENSES**

Indirect expenses came in lower than budget for the month and comes back in line with prior year comparison.

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

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	179	303	482	467	15
ATTENDANCE	175,926	336,574	512,500	482,600	29,900
<b>DIRECT EVENT REVENUE</b>	1,144,125	1,885,335	3,029,460	2,939,400	90,060
<b>ANCILLARY REVENUE</b>	894,637	1,675,263	2,569,900	2,639,860	(69,960)
<b>TICKETING REBATES</b>	160,649	161,801	322,450	302,450	20,000
<b>TOTAL EVENT REVENUE</b>	2,199,411	3,722,399	5,921,810	5,881,710	40,100
<b>TOTAL OTHER REVENUE</b>	19,220	12,780	32,000	32,000	-
<b>TOTAL OPERATING REVENUE</b>	2,218,631	3,735,179	5,953,810	5,913,710	40,100
<b>INDIRECT EXPENSES</b>					
<b>EXECUTIVE</b>	80,903	122,558	203,461	203,461	-
<b>FINANCE</b>	110,694	148,960	259,654	259,654	-
<b>MARKETING</b>	39,031	87,565	126,596	126,596	-
<b>OPERATIONS</b>	649,793	891,236	1,541,029	1,541,029	-
<b>EVENT SERVICES</b>	424,617	672,050	1,096,667	1,096,667	-
<b>BOX OFFICE</b>	53,008	38,924	91,932	91,932	-
<b>SALES</b>	161,156	240,892	402,048	402,048	-
<b>OVERHEAD</b>	879,170	1,317,914	2,197,084	2,197,084	-
<b>TOTAL OPERATING EXP.</b>	2,398,372	3,520,099	5,918,471	5,918,471	-
<b>NET REVENUE ABOVE EXPENSES</b>	<b>(179,741)</b>	<b>215,080</b>	<b>35,339</b>	<b>(4,761)</b>	<b>40,100</b>
<b>INCENTIVE FEE</b>		341,482	341,482	346,578	5,096
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(179,741)</b>	<b>(126,402)</b>	<b>(306,143)</b>	<b>(351,339)</b>	<b>45,196</b>

Comments:

November was another solid month for the convention center as activity exceeded budget, however, fell a little short of prior year. The facility continues to trend very well during the first half of the fiscal year and should cross the mid-point ahead of both budget and prior year overall.

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Finance Director

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

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

<b>MONTH</b>	November Actual	November Budget	November FY 2015
Number of Events	40	39	44
Attendance	51,494	47,449	54,345
Direct Event Income	\$332,196	\$278,651	\$400,371
Ancillary Income	191,128	204,960	198,897
Other Event Income	46,185	34,616	63,712
Other Operating Income	3,371	2,666	2,113
Indirect Expenses	(461,208)	(493,206)	(479,281)
Net Income	\$111,672	\$27,687	\$185,812

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	179	174	195
Attendance	175,926	159,146	161,903
Direct Event Income	\$1,144,125	\$1,035,950	\$1,083,409
Ancillary Income	894,637	1,043,163	891,992
Other Event Income	160,649	100,880	124,619
Other Operating Income	19,220	13,330	16,528
Indirect Expenses	(2,392,372)	(2,466,030)	(2,467,066)
Net Income	(\$173,741)	(\$272,707)	(\$350,518)

**EVENT INCOME**

Event income came in ahead of budget for the month with another strong showing for the wine & food festival as well as sold out Straight no Chaser and Mannheim Steamroller shows in the theater.

**ANCILLARY INCOME**

Ancillary income came in consistent with both budget and prior year activity. While it is trending behind budget overall, it is still anticipated that it will catch up to budget over the next couple of months.

**INDIRECT EXPENSES**

Indirect expenses came in a bit ahead of budget overall as the mild weather has led to savings in utilities for both the month and year to date.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative Accounts**  
**Net Other Detail**  
**November 30, 2015**

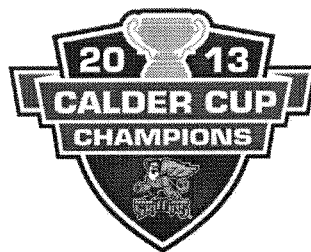
	<u>Annual</u>			<u>Year-to-Date</u>		
	<u>FY 2015</u> <u>Final</u>	<u>FY 2016</u> <u>Budget</u>	<u>Percentage</u> <u>Change</u>	<u>FY 2015</u> <u>7/1-11/30</u>	<u>FY 2016</u> <u>7/1-11/30</u>	<u>Percentage</u> <u>Change</u>
Other						
Revenues						
Interest/Capital Contr.	\$ 143,959	\$ 150,000	4.2	\$ 30,415	\$ 35,431	16.5
Miscellaneous	230,217	35,000	(84.8)	21,481	6,404	(70.2)
Rolling Forecast (YTD Actual)	<u>374,176</u>	<u>185,000</u>	<u>(50.6)</u>	<u>51,896</u>	<u>41,835</u>	<u>(19.4)</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	50,000	50,000	-
Diversity Initiative	46,688	125,000	167.8	13,462	94,820	604.4
Wages/Benefits	128,373	122,605	(4.5)	41,907	39,545	(5.6)
Marketing Campaign	62,711	100,000	59.5	-	-	-
Professional Services	67,779	68,000	0.3	12,043	20,378	69.2
DID Assessment	39,720	40,500	2.0	39,720	-	(100.0)
Food & Beverage Repairs	-	40,000	100.0+	-	46,890	100.0+
Consulting Services	138,973	197,345	42.0	54,542	9,260	(83.0)
Landscaping	38,920	30,000	(22.9)	29,421	14,786	(49.7)
Procurement of Art	25,162	30,000	19.2	8,108	28,346	249.6
Insurance	13,513	24,000	77.6	18,500	21,861	18.2
Supplies/Other	16,024	60,000	274.4	2,573	11,420	343.8
	<u>702,863</u>	<u>962,450</u>	<u>36.9</u>	<u>270,276</u>	<u>337,306</u>	<u>24.8</u>
Net Proceeds - Operating	<u>\$ (328,687)</u>	<u>\$ (777,450)</u>	<u>(136.5)</u>	<u>\$ (218,380)</u>	<u>\$ (295,471)</u>	<u>(35.3)</u>



# VAN ANDEL ARENA

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED NOVEMBER 30, 2015**

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



**Distribution:**

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



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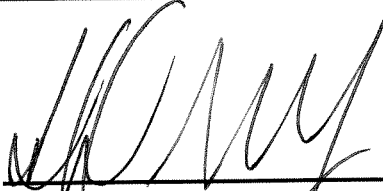
*An SMG Managed Facility*

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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	30	68	98	98	-
ATTENDANCE	147,518	415,482	548,000	563,000	(15,000)
DIRECT EVENT INCOME	403,166	766,659	1,207,613	1,169,825	37,788
ANCILLARY INCOME	381,233	957,010	1,298,955	1,338,243	(39,288)
TICKETING REBATES	195,718	326,872	498,291	522,590	(24,299)
<b>TOTAL EVENT INCOME</b>	<b>980,117</b>	<b>2,050,541</b>	<b>3,004,859</b>	<b>3,030,658</b>	<b>(25,799)</b>
TOTAL OTHER INCOME	945,279	1,097,511	2,055,717	2,042,790	12,927
<b>TOTAL INCOME</b>	<b>1,925,396</b>	<b>3,148,052</b>	<b>5,060,576</b>	<b>5,073,448</b>	<b>(12,872)</b>
INDIRECT EXPENSES					
EXECUTIVE	79,696	128,065	207,761	207,761	-
FINANCE	94,999	142,779	237,778	237,778	-
MARKETING	121,631	210,358	331,989	331,989	-
OPERATIONS	771,659	998,697	1,770,356	1,770,356	-
BOX OFFICE	61,548	89,695	151,243	151,243	-
LUXURY SEATING	18,933	79,866	98,799	98,799	-
SKYWALK ADMIN	15,835	35,825	51,660	51,660	-
OVERHEAD	553,040	895,791	1,448,831	1,448,831	-
<b>TOTAL INDIRECT EXP.</b>	<b>1,717,343</b>	<b>2,581,076</b>	<b>4,298,417</b>	<b>4,298,417</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>208,053</b>	<b>566,976</b>	<b>762,159</b>	<b>775,031</b>	<b>(12,872)</b>
LESS INCENTIVE FEE		2,402	2,402	5,552	3,150
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>208,053</b>	<b>564,574</b>	<b>759,757</b>	<b>769,479</b>	<b>(9,722)</b>

Comments:

November was a relatively busy month for the Arena with well attended Griffins games and 3 concerts that all sold well as compared to the tours, however, not high revenue producing concerts leading to an overall shortfall for the month as compared to budget.

  
 General Manager

  
 Director of Finance

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

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

<b>MONTH</b>	November Actual	November Budget	November FY 2015
Number of Events	10	9	9
Attendance	52,067	61,500	30,147
Direct Event Income	\$42,668	\$110,490	(\$5,795)
Ancillary Income	109,637	163,308	61,977
Other Event Income	28,789	66,330	2,566
Other Operating Income	184,913	182,556	147,707
Indirect Expenses	(308,966)	(358,200)	(315,410)
Net Income	\$57,041	\$164,484	(\$108,955)

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	30	27	29
Attendance	147,518	175,500	143,387
Direct Event Income	\$403,166	\$398,484	\$274,133
Ancillary Income	381,233	466,946	428,038
Other Event Income	195,718	243,210	222,157
Other Operating Income	945,279	864,540	929,929
Indirect Expenses	(1,717,340)	(1,791,000)	(1,713,883)
Net Income	\$208,056	\$182,180	\$140,374

**EVENT INCOME**

Event income fell below budget as the concerts hosted, while each successful, fell below normal concert average.

**ANCILLARY INCOME**

Ancillary income fell below expectations as the lower than average attendance for concerts, combined with the lower per cap spending due to nature of show, led to lower F&B revenue.

**INDIRECT EXPENSES**

Indirect expenses came in lower than budget for the month and comes back in line with prior year comparison.

2

**Van Andel Arena**  
**Income Statement**  
**For the Five Months Ending November 30, 2015**

	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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$126,773	\$154,911	(28,138)	\$71,681	\$583,262	\$495,607	87,655	\$395,330
Service Revenue	164,104	181,068	(16,964)	10,068	639,247	668,986	(29,739)	694,647
Service Expenses	(248,209)	(225,489)	(22,720)	(87,544)	(819,343)	(766,109)	(53,234)	(815,844)
<b>Total Direct Event Income</b>	<b>42,668</b>	<b>110,490</b>	<b>(67,822)</b>	<b>(5,795)</b>	<b>403,166</b>	<b>398,484</b>	<b>4,682</b>	<b>274,133</b>
<b>Ancillary Income</b>								
F&B Concession	97,784	144,558	(46,774)	52,545	318,496	402,951	(84,455)	357,502
F&B Catering	11,101	7,896	3,205	4,750	34,462	24,197	10,265	29,920
Novelty Sales	752	10,854	(10,102)	4,682	28,275	39,798	(11,523)	39,826
Booth Cleaning	0	0	0	0	0	0	0	644
Audio Visual	0	0	0	0	0	0	0	146
<b>Total Ancillary Income</b>	<b>109,637</b>	<b>163,308</b>	<b>(53,671)</b>	<b>61,977</b>	<b>381,233</b>	<b>466,946</b>	<b>(85,713)</b>	<b>428,038</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	28,789	66,330	(37,541)	2,566	195,718	243,210	(47,492)	222,157
<b>Total Other Event Income</b>	<b>28,789</b>	<b>66,330</b>	<b>(37,541)</b>	<b>2,566</b>	<b>195,718</b>	<b>243,210</b>	<b>(47,492)</b>	<b>222,157</b>
<b>Total Event Income</b>	<b>181,094</b>	<b>340,128</b>	<b>(159,034)</b>	<b>58,748</b>	<b>980,117</b>	<b>1,108,640</b>	<b>(128,523)</b>	<b>924,328</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	118,743	126,472	(7,729)	97,220	643,984	584,120	59,864	667,725
Advertising	56,680	52,084	4,596	42,734	270,640	260,420	10,220	232,476
Other Income	9,490	4,000	5,490	7,753	30,655	20,000	10,655	29,728
<b>Total Other Operating Income</b>	<b>184,913</b>	<b>182,556</b>	<b>2,357</b>	<b>147,707</b>	<b>945,279</b>	<b>864,540</b>	<b>80,739</b>	<b>929,929</b>
<b>Adjusted Gross Income</b>	<b>366,007</b>	<b>522,684</b>	<b>(156,677)</b>	<b>206,455</b>	<b>1,925,396</b>	<b>1,973,180</b>	<b>(47,784)</b>	<b>1,854,257</b>
<b>Operating Expenses</b>								
Salaries and Wages	162,456	174,009	(11,553)	134,719	903,421	870,045	33,376	952,531
Payroll Taxes and Benefits	43,316	50,789	(7,473)	32,499	230,112	253,945	(23,833)	250,357
Labor Allocations to Events	(73,732)	(69,965)	(3,767)	(41,267)	(372,792)	(349,825)	(22,967)	(492,443)
<b>Net Salaries and Benefits</b>	<b>132,040</b>	<b>154,833</b>	<b>(22,793)</b>	<b>125,951</b>	<b>760,741</b>	<b>774,165</b>	<b>(13,424)</b>	<b>710,445</b>
Contracted Services	13,961	20,928	(6,967)	23,685	93,416	104,640	(11,224)	98,999
General and Administrative	30,689	30,368	321	30,256	129,796	151,840	(22,044)	167,574
Operations	2,784	7,365	(4,581)	3,105	27,520	36,825	(9,305)	27,800
Repair and Maintenance	14,111	21,924	(7,813)	27,725	118,618	109,620	8,998	145,502
Operational Supplies	10,486	15,417	(4,931)	9,287	93,322	77,085	16,237	86,654
Insurance	15,670	10,830	4,840	9,733	50,775	54,150	(3,375)	45,764
Utilities	74,839	81,863	(7,024)	71,354	371,510	409,315	(37,805)	359,574
SMG Management Fees	14,386	14,672	(286)	14,314	71,642	73,360	(1,718)	71,571
<b>Total Operating Expenses</b>	<b>308,966</b>	<b>358,200</b>	<b>(49,234)</b>	<b>315,410</b>	<b>1,717,340</b>	<b>1,791,000</b>	<b>(73,660)</b>	<b>1,713,883</b>
<b>Net Income(Loss) From Operations</b>	<b>57,041</b>	<b>164,484</b>	<b>(107,443)</b>	<b>(108,955)</b>	<b>208,056</b>	<b>182,180</b>	<b>25,876</b>	<b>140,374</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>57,041</b>	<b>164,484</b>	<b>(107,443)</b>	<b>(108,955)</b>	<b>208,056</b>	<b>182,180</b>	<b>25,876</b>	<b>140,374</b>

3



**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Five Months Ended November 30, 2015**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	8	6	18,417	22,000	24,483	47,396
Sporting Event						
Concert	10	11	69,123	93,500	781,023	906,334
Team Home Games	10	10	54,953	60,000	128,555	154,910
Other	2		5,025		46,055	
<b>GRAND TOTALS</b>	<b>30</b>	<b>27</b>	<b>147,518</b>	<b>175,500</b>	<b>980,117</b>	<b>1,108,640</b>

As Percentage of Overall

Family Show	26.67%	22.22%	12.48%	12.54%	2.50%	4.28%
Sporting Event	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Concert	33.33%	40.74%	46.86%	53.28%	79.69%	81.75%
Team Home Games	33.33%	37.04%	37.25%	34.19%	13.12%	13.97%
Other	6.67%	0.00%	3.41%	0.00%	4.70%	0.00%

**Van Andel Arena  
Balance Sheet  
As of November 30, 2015**

**ASSETS**

**Current Assets**

Cash	3,953,605
Account Receivable	1,300,318
Prepaid Expenses	89,390

**Total Current Assets**

-----  
**\$5,343,313**

**Total Assets**

-----  
**\$5,343,313**  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	394,257
Accrued Expenses	639,741
Deferred Income	2,426,531
Advanced Ticket Sales & Deposits	3,612,235

**Total Current Liabilities**

-----  
**\$7,072,765**

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(534,949)
Expenses Paid Direct by CAA	335,757
Beginning Balance Equity	(1,738,315)
Current Year Equity	208,056

**Total Equity**

-----  
**(\$1,729,451)**

**Total Liabilities and Equity**

-----  
**\$5,343,313**  
=====

5

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of November 30, 2015**

---

Current - Under 30 Days	
Food & Beverage	206,218
Ticketing	213,730
Merchandise	-
Permanent Advertising	628,758
DeVos Place	(41,138)
Operating	204,392
Over 30 Days	65,900
Over 60 Days	22,458
Over 90 Days	
Total Accounts Receivable	1,300,318

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

---

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	762,159	35,339	797,498	1,566,575
Benchmark ++			750,000	750,000
Excess	762,159	35,339	47,498	816,575

Incentive Fee Calculation (Only if above greater than zero)

	Arena Actual	DeVos Place Actual	Total Actual	Total Estimate
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	5,060,576	5,953,810	11,014,386	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	10,576	1,503,810	1,514,386	2,476,188
Incentive Fee **	2,402	341,482	343,884	343,540
Total SMG Management Fee	174,344	513,424	687,768	687,080

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

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

# DEVOS PLACE

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED NOVEMBER 30, 2015

Distribution:

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



---

*An SMG Managed Facility*

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

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	179	303	482	467	15
ATTENDANCE	175,926	336,574	512,500	482,600	29,900
DIRECT EVENT REVENUE	1,144,125	1,885,335	3,029,460	2,939,400	90,060
ANCILLARY REVENUE	894,637	1,675,263	2,569,900	2,639,860	(69,960)
TICKETING REBATES	160,649	161,801	322,450	302,450	20,000
<b>TOTAL EVENT REVENUE</b>	<b>2,199,411</b>	<b>3,722,399</b>	<b>5,921,810</b>	<b>5,881,710</b>	<b>40,100</b>
<b>TOTAL OTHER REVENUE</b>	<b>19,220</b>	<b>12,780</b>	<b>32,000</b>	<b>32,000</b>	<b>-</b>
<b>TOTAL OPERATING REVENUE</b>	<b>2,218,631</b>	<b>3,735,179</b>	<b>5,953,810</b>	<b>5,913,710</b>	<b>40,100</b>
INDIRECT EXPENSES					
EXECUTIVE	80,903	122,558	203,461	203,461	-
FINANCE	110,694	148,960	259,654	259,654	-
MARKETING	39,031	87,565	126,596	126,596	-
OPERATIONS	649,793	891,236	1,541,029	1,541,029	-
EVENT SERVICES	424,617	672,050	1,096,667	1,096,667	-
BOX OFFICE	53,008	38,924	91,932	91,932	-
SALES	161,156	240,892	402,048	402,048	-
OVERHEAD	879,170	1,317,914	2,197,084	2,197,084	-
<b>TOTAL OPERATING EXP.</b>	<b>2,398,372</b>	<b>3,520,099</b>	<b>5,918,471</b>	<b>5,918,471</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>(179,741)</b>	<b>215,080</b>	<b>35,339</b>	<b>(4,761)</b>	<b>40,100</b>
INCENTIVE FEE		341,482	341,482	346,578	5,096
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(179,741)</b>	<b>(126,402)</b>	<b>(306,143)</b>	<b>(351,339)</b>	<b>45,196</b>

Comments:

November was another solid month for the convention center as activity exceeded budget, however, fell a little short of prior year. The facility continues to trend very well during the first half of the fiscal year and should cross the mid-point ahead of both budget and prior year overall.

  
 General Manager

  
 Finance Director

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

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

<b>MONTH</b>	November Actual	November Budget	November FY 2015
Number of Events	40	39	44
Attendance	51,494	47,449	54,345
Direct Event Income	\$332,196	\$278,651	\$400,371
Ancillary Income	191,128	204,960	198,897
Other Event Income	46,185	34,616	63,712
Other Operating Income	3,371	2,666	2,113
Indirect Expenses	(461,208)	(493,206)	(479,281)
Net Income	\$111,672	\$27,687	\$185,812

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	179	174	195
Attendance	175,926	159,146	161,903
Direct Event Income	\$1,144,125	\$1,035,950	\$1,083,409
Ancillary Income	894,637	1,043,163	891,992
Other Event Income	160,649	100,880	124,619
Other Operating Income	19,220	13,330	16,528
Indirect Expenses	(2,392,372)	(2,466,030)	(2,467,066)
Net Income	(\$173,741)	(\$272,707)	(\$350,518)

**EVENT INCOME**

Event income came in ahead of budget for the month with another strong showing for the wine & food festival as well as sold out Straight no Chaser and Mannheim Steamroller shows in the theater.

**ANCILLARY INCOME**

Ancillary income came in consistent with both budget and prior year activity. While it is trending behind budget overall, it is still anticipated that it will catch up to budget over the next couple of months.

**INDIRECT EXPENSES**

Indirect expenses came in a bit ahead of budget overall as the mild weather has led to savings in utilities for both the month and year to date.

**DeVos Place**  
**Income Statement**  
**For the Five Months Ending November 30, 2015**

	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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$321,226	\$282,400	\$38,826	\$386,623	\$1,236,959	\$1,093,500	\$143,459	\$1,177,887
Service Revenue	383,331	192,619	190,712	418,833	1,091,612	742,142	349,470	944,884
Service Expenses	(372,361)	(196,368)	(175,993)	(405,085)	(1,184,446)	(799,692)	(384,754)	(1,039,362)
<b>Total Direct Event Income</b>	<b>332,196</b>	<b>278,651</b>	<b>53,545</b>	<b>400,371</b>	<b>1,144,125</b>	<b>1,035,950</b>	<b>108,175</b>	<b>1,083,409</b>
<b>Ancillary Income</b>								
F&B Concession	9,629	18,817	(9,188)	10,020	60,351	60,752	(401)	37,898
F&B Catering	73,598	59,173	14,425	77,023	287,891	366,271	(78,380)	356,202
Novelty Sales	1,915	1,411	504	3,552	5,982	4,295	1,687	4,955
Booth Cleaning	26,006	28,439	(2,433)	23,077	106,695	113,662	(6,967)	101,099
Telephone/Long Distance	0	0	0	0	563	0	563	225
Electrical Services	24,862	43,383	(18,521)	22,145	146,766	200,667	(53,901)	147,893
Audio Visual	22,778	27,531	(4,753)	28,485	147,036	175,154	(28,118)	105,448
Internet Services	11,838	9,224	2,614	10,931	50,841	45,749	5,092	56,487
Equipment Rental	20,502	16,982	3,520	23,664	88,512	76,613	11,899	81,785
<b>Total Ancillary Income</b>	<b>191,128</b>	<b>204,960</b>	<b>(13,832)</b>	<b>198,897</b>	<b>894,637</b>	<b>1,043,163</b>	<b>(148,526)</b>	<b>891,992</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	46,185	34,616	11,569	63,712	160,649	100,880	59,769	124,619
<b>Total Other Event Income</b>	<b>46,185</b>	<b>34,616</b>	<b>11,569</b>	<b>63,712</b>	<b>160,649</b>	<b>100,880</b>	<b>59,769</b>	<b>124,619</b>
<b>Total Event Income</b>	<b>569,509</b>	<b>518,227</b>	<b>51,282</b>	<b>662,980</b>	<b>2,199,411</b>	<b>2,179,993</b>	<b>19,418</b>	<b>2,100,020</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	2,550	1,333	1,217	1,341	9,102	6,665	2,437	6,705
Other Income	821	1,333	(512)	772	10,118	6,665	3,453	9,823
<b>Total Other Operating Income</b>	<b>3,371</b>	<b>2,666</b>	<b>705</b>	<b>2,113</b>	<b>19,220</b>	<b>13,330</b>	<b>5,890</b>	<b>16,528</b>
<b>Adjusted Gross Income</b>	<b>572,880</b>	<b>520,893</b>	<b>51,987</b>	<b>665,093</b>	<b>2,218,631</b>	<b>2,193,323</b>	<b>25,308</b>	<b>2,116,548</b>
<b>Operating Expenses</b>								
Salaries and Wages	353,753	269,834	83,919	361,248	1,337,702	1,349,170	(11,468)	1,293,381
Payroll Taxes and Benefits	117,859	85,238	32,621	110,853	408,958	426,190	(17,232)	398,011
Labor Allocations to Events	(261,354)	(154,688)	(106,666)	(289,318)	(771,639)	(773,440)	1,801	(716,520)
<b>Net Salaries and Benefits</b>	<b>210,258</b>	<b>200,384</b>	<b>9,874</b>	<b>182,783</b>	<b>975,021</b>	<b>1,001,920</b>	<b>(26,899)</b>	<b>974,872</b>
Contracted Services	24,764	20,820	3,944	27,659	147,544	104,100	43,444	138,953
General and Administrative	28,548	30,510	(1,962)	28,668	144,267	152,550	(8,283)	134,840
Operations	4,576	11,146	(6,570)	5,019	60,873	55,730	5,143	83,942
Repair and Maintenance	43,070	41,350	1,720	44,150	203,461	206,750	(3,289)	242,834
Operational Supplies	14,497	20,225	(5,728)	19,799	110,182	101,125	9,057	85,938
Insurance	20,018	17,616	2,402	21,528	83,607	88,080	(4,473)	82,334
Utilities	101,091	136,483	(35,392)	135,361	595,775	682,415	(86,640)	651,782
SMG Management Fees	14,386	14,672	(286)	14,314	71,642	73,360	(1,718)	71,571
<b>Total Operating Expenses</b>	<b>461,208</b>	<b>493,206</b>	<b>(31,998)</b>	<b>479,281</b>	<b>2,392,372</b>	<b>2,466,030</b>	<b>(73,658)</b>	<b>2,467,066</b>
<b>Net Income(Loss) From Operations</b>	<b>111,672</b>	<b>27,687</b>	<b>83,985</b>	<b>185,812</b>	<b>(173,741)</b>	<b>(272,707)</b>	<b>98,966</b>	<b>(350,518)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>111,672</b>	<b>27,687</b>	<b>83,985</b>	<b>185,812</b>	<b>(173,741)</b>	<b>(272,707)</b>	<b>98,966</b>	<b>(350,518)</b>



**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Five Months Ended November 30, 2015**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	54	53	60,160	53,000	1,054,624	1,102,082
Consumer/Gated Shows	15	15	31,682	32,499	209,815	202,008
DeVos Performance Hall	46	43	55,857	47,397	447,825	407,594
Banquets	10	9	6,740	5,850	82,994	91,593
Meetings	39	39	11,692	13,650	334,583	266,916
Other	15	15	9,795	6,750	69,570	109,800
<b>GRAND TOTALS</b>	<b>179</b>	<b>174</b>	<b>175,926</b>	<b>159,146</b>	<b>2,199,411</b>	<b>2,179,993</b>

As Percentage of Overall

Convention/Trade Shows	30.17%	30.46%	34.20%	33.30%	47.95%	50.55%
Consumer/Gated Shows	8.38%	8.62%	18.01%	20.42%	9.54%	9.27%
Devos Performance Hall	25.70%	24.71%	31.75%	29.78%	20.36%	18.70%
Ballroom Exclusive	5.59%	5.17%	3.83%	3.68%	3.77%	4.20%
Meetings	21.79%	22.41%	6.65%	8.58%	15.21%	12.24%
Other	8.38%	8.62%	5.57%	4.24%	3.16%	5.04%

**DeVos Place  
Balance Sheet  
As of November 30, 2015**

**ASSETS**

**Current Assets**

Cash	2,489,502
Account Receivable	1,100,199
Prepaid Expenses	82,787

**Total Current Assets**

-----  
**\$3,672,488**

**Total Assets**

-----  
**\$3,672,488**  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	123,559
Accrued Expenses	390,144
Deferred Income	134,043
Advanced Ticket Sales & Deposits	2,344,972

**Total Current Liabilities**

-----  
**\$2,992,717**

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(276,431)
Expenses Paid Direct by CAA	544,168
Beginning Balance Equity	585,776
Current Year Equity	(173,741)

**Total Equity**

-----  
**\$679,771**

**Total Liabilities and Equity**

-----  
**\$3,672,488**  
=====

5

**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of November 30, 2015**

---

Current - Under 30 Days	
Food & Beverage	82,980
Ticketing	327,339
Merchandise	2,145
Decorating	26,005
Audio/Visual	22,778
Van Andel Arena	41,138
Operating	500,062
Over 30 Days	17,138
Over 60 Days	80,614
Over 90 Days	
Total Accounts Receivable	1,100,199

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

---

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	762,159	35,339	797,498	1,566,575
Benchmark ++			750,000	750,000
Excess	762,159	35,339	47,498	816,575

Incentive Fee Calculation (Only if above greater than zero)

	Arena Actual	DeVos Place Actual	Total Actual	Total Estimate
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	5,060,576	5,953,810	11,014,386	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	10,576	1,503,810	1,514,386	2,476,188
Incentive Fee **	2,402	341,482	343,884	343,540
Total SMG Management Fee	174,344	513,424	687,768	687,080

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

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

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

**RESOLUTION ELECTING TO EXTEND THE TERM OF THE FOOD  
AND BEVERAGE SERVICES AGREEMENT WITH SMG FOOD AND  
BEVERAGE, LLC FOR THE SECOND RENEWAL TERM, RATIFYING  
THE NOTIFICATION OF SMG FOOD AND BEVERAGE, LLC OF SUCH  
ELECTION, AND APPROVING AND AUTHORIZING EXECUTION OF  
A SECOND AMENDMENT TO FOOD AND BEVERAGE SERVICES  
AGREEMENT WITH SMG FOOD AND BEVERAGE, LLC EXTENDING  
ITS TERM FOR THE PERIOD OF THE SECOND RENEWAL TERM**

Boardmember \_\_\_\_\_, supported by Boardmember \_\_\_\_\_,

moved the adoption of the following resolution:

**WHEREAS**, the Grand Rapids – Kent County Convention/Arena Authority (the “CAA”) and SMG Food and Beverage, LLC (“SMGF”) have entered into a Food and Beverage Services Agreement (the “Agreement”), dated and effective July 1, 2011, related to the exclusive right to manage, operate and oversee food and beverage services at the Van Andel Arena; and

**WHEREAS**, the Initial Term of the Agreement ended of June 30, 2014, and the First Renewal Term will end June 30, 2016; and

**WHEREAS**, Section 2(b) of the Agreement provides that the CAA Board of Directors (the “CAA Board”), in its sole discretion, may extend the term of the Agreement for a Second Renewal Term, i.e. commencing July 1, 2016, and ending June 30, 2018, upon not less than 180 days’ written notice to SMGF prior to the end of the First Renewal Term; and

**WHEREAS**, the CAA desires to extend the term of the Agreement for the period of the Second Renewal Term and to ratify the written notice of said election given to SMGF not less than 180 days prior to the end of the First Renewal Term: and

**WHEREAS**, the CAA desires to approve and authorize the execution of a Second Amendment to Food and Beverage Services Agreement (the “Second Amendment”) extending the term of the Agreement for the period of the Second Renewal Term.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the CAA Board elects to extend the term of the Agreement for the period of the Second Renewal Term, i.e. July 1, 2016, through June 30, 2018, pursuant to Section 2(b) of the Agreement.

2. That the written notice electing to extend the term of the Agreement for the Second Renewal Term was given December 22, 2015, to SMGFB by the Administrative Manager of the CAA not less than 180 days prior to June 30, 2016, in accordance with Sections 2(b) and 21 of the Agreement and such action is hereby ratified.

3. That the Second Amendment in the form presented at this meeting is approved with such modifications not materially adverse to the CAA approved as to content by the Chairperson of the CAA Board (the “Chairperson”) or his designee and as to form by legal counsel to the CAA and the Chairperson is authorized and directed to execute the approved Second Amendment for and on behalf of the CAA.

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

YEAS: Boardmembers \_\_\_\_\_

\_\_\_\_\_

NAYS: Boardmembers \_\_\_\_\_

ABSTAIN: Boardmembers \_\_\_\_\_

ABSENT: Boardmembers \_\_\_\_\_

**RESOLUTION DECLARED ADOPTED.**

Dated: January 8, 2016

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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 January 8, 2016, 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: January 8, 2016

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Susan M. Waddell  
Administrative Manager/Recording Secretary

**SECOND AMENDMENT TO FOOD AND BEVERAGE  
SERVICES AGREEMENT**

**THIS SECOND AMENDMENT TO FOOD AND BEVERAGE SERVICES AGREEMENT** (the "Second Amendment") is dated as of January 8, 2016, between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY** (the "CAA") and **SMG FOOD AND BEVERAGE, LLC** ("SMGFB").

**RECITALS**

A. The CAA and SMGFB have entered into a Food and Beverage Services Agreement (the "Agreement") dated and effective as of July 1, 2011, related to the exclusive right to manage, operate and oversee food and beverage services at the Van Andel Arena.

B. The initial term of the Agreement ended June 30, 2014, and the CAA pursuant to the provisions of Section 2(b) of the Agreement previously elected to extend the term of the Agreement for the period of the First Renewal Term ending June 30, 2016, pursuant to a First Amendment to Food and Beverage Services Agreement dated as of December 15, 2013.

C. Pursuant to the provisions of Section 2(b) of the Agreement, the CAA has elected to further extend the term of the Agreement for the period of the Second Renewal Term.

D. The CAA and SMGFB have agreed to enter into this Second Amendment memorializing such extension.

**NOW, THEREFORE**, in further consideration of the promises, covenants and agreements in the Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

**Section 1. Extension of Term.** Pursuant to the provisions of Section 2(b) of the Agreement the term of the Agreement is extended for the period of the Second Renewal Term, i.e. commencing on July 1, 2016 at 12:01 a.m. and ending at midnight on June 30, 2018, unless earlier terminated pursuant to the provisions of the Agreement.

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

**IN WITNESS WHEREOF**, this Second Amendment has been executed by the parties hereto as of the day and year first written above.



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

By: \_\_\_\_\_  
Steven R. Heacock  
Chairperson

**SMG FOOD AND BEVERAGE, LLC**

By: \_\_\_\_\_  
John F. Burns  
Secretary and Treasurer