



Agenda

Board of Directors

Friday, June 3, 2011

Following CAA Operations Committee Meeting

Kent County Commission Chambers

300 Monroe, NW – Grand Rapids, MI

1. Call to Order Steven R. Heacock
2. Recognition/Introduction of SMG Box Office Staff
3. Minutes of Previous Meeting Action
4. Committee Reports
 - A. Operations Committee
 - B. Finance Committee
5. FY 2012 Budgets Action
 - A. DeVos Place® and Van Andel Arena® Operating Budgets
 - B. Consolidated CAA Operating/Capital Budgets
6. 2012-2016 DeVos Place® Rate Sheets Action
7. SMG Report and Facilities Calendars Information
8. Public Comment
9. Adjournment. Next Meeting Date: Friday, August 5, 2011. There is no July meeting.

Have a Happy & Safe Summer!

SMG Box Office Recap
March 8 - 21, 2011

Date	Show	Venue		
8-Mar	James Taylor	DeVos Performance Hall	Venues	
			Total Laughfest Venues	17
9-Mar	Dark		New to Ticketmaster	12
10-Mar	Disney On Ice	Van Andel Arena	Events	
	LF - Outside Events	Various	Laughfest Events - Outside	116
			Laughfest Events - SMG/CAA	8
11-Mar	Disney On Ice	Van Andel Arena	Non-Laughfest Events	25
	Symphony	DeVos Performance Hall	Total Performances/Event Days	149
	Women's Expo/Bridal Show	DeVos Place		
	LF - Outside	Various	Sales Totals	
			Total Tickets Sold	125,000
12-Mar	Disney On Ice	Van Andel Arena	Total Gross Ticket Sales	2,750,000
	Symphony	DeVos Performance Hall		
	Women's Expo/Bridal Show	DeVos Place	On-Sales	
	LF - Outside	Various	Kenny Chesney	3/11/2011
			Josh Groban	3/19/2011
13-Mar	Disney On Ice	Van Andel Arena	Jerry Seinfeld	3/25/2011
	Women's Expo/Bridal Show	DeVos Place		
	LF - Outside	Various		
	LF - Bill Cosby	DeVos Performance Hall		
14-Mar	LF - Hen Sapp Out of the Box Comedy	DeVos Performance Hall		
	LF - Outside	Various		
15-Mar	LF - Betty White Dinner	DeVos Place		
	LF - Betty White Simulcast	DeVos Performance Hall		
	LF - Outside	Various		
16-Mar	Stephen Lynch	DeVos Performance Hall		
	LF - Outside	Various		
17-Mar	Ultimate Sport Show	DeVos Place		
	Sugarland	Van Andel Arena		
	LF - Outside	Various		
18-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Outside	Various		
19-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Outside	Various		
20-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Gariel Iglesias	DeVos Performance Hall		
	LF - Outside	Various		
21-Mar	Joe Bonamassa	DeVos Performance Hall		

SMG Box Office Recap
March 8 - 21, 2011

Date	Show	Venue		
8-Mar	James Taylor	DeVos Performance Hall	Venues	
			Total Laughfest Venues	17
9-Mar	Dark		New to Ticketmaster	12
10-Mar	Disney On Ice	Van Andel Arena	Events	
	LF - Outside Events	Various	Laughfest Events - Outside	116
			Laughfest Events - SMG/CAA	8
11-Mar	Disney On Ice	Van Andel Arena	Non-Laughfest Events	25
	Symphony	DeVos Performance Hall	Total Performances/Event Days	149
	Women's Expo/Bridal Show	DeVos Place		
	LF - Outside	Various	Sales Totals	
			Total Tickets Sold	125,000
12-Mar	Disney On Ice	Van Andel Arena	Total Gross Ticket Sales	2,750,000
	Symphony	DeVos Performance Hall		
	Women's Expo/Bridal Show	DeVos Place	On-Sales	
	LF - Outside	Various	Kenny Chesney	3/11/2011
			Josh Groban	3/19/2011
13-Mar	Disney On Ice	Van Andel Arena	Jerry Seinfeld	3/25/2011
	Women's Expo/Bridal Show	DeVos Place		
	LF - Outside	Various		
	LF - Bill Cosby	DeVos Performance Hall		
14-Mar	LF - Hen Sapp Out of the Box Comedy	DeVos Performance Hall		
	LF - Outside	Various		
15-Mar	LF - Betty White Dinner	DeVos Place		
	LF - Betty White Simulcast	DeVos Performance Hall		
	LF - Outside	Various		
16-Mar	Stephen Lynch	DeVos Performance Hall		
	LF - Outside	Various		
17-Mar	Ultimate Sport Show	DeVos Place		
	Sugarland	Van Andel Arena		
	LF - Outside	Various		
18-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Outside	Various		
19-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Outside	Various		
20-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Gariel Iglasius	DeVos Performance Hall		
	LF - Outside	Various		
21-Mar	Joe Bonamassa	DeVos Performance Hall		

SMG Box Office Recap
March 8 - 21, 2011

Date	Show	Venue		
8-Mar	James Taylor	DeVos Performance Hall	Venues	
			Total Laughfest Venues	17
9-Mar	Dark		New to Ticketmaster	12
10-Mar	Disney On Ice	Van Andel Arena	Events	
	LF - Outside Events	Various	Laughfest Events - Outside	116
			Laughfest Events - SMG/CAA	8
11-Mar	Disney On Ice	Van Andel Arena	Non-Laughfest Events	25
	Symphony	DeVos Performance Hall	Total Performances/Event Days	149
	Women's Expo/Bridal Show	DeVos Place		
	LF - Outside	Various	Sales Totals	
			Total Tickets Sold	125,000
12-Mar	Disney On Ice	Van Andel Arena	Total Gross Ticket Sales	2,750,000
	Symphony	DeVos Performance Hall		
	Women's Expo/Bridal Show	DeVos Place	On-Sales	
	LF - Outside	Various	Kenny Chesney	3/11/2011
			Josh Groban	3/19/2011
13-Mar	Disney On Ice	Van Andel Arena	Jerry Seinfeld	3/25/2011
	Women's Expo/Bridal Show	DeVos Place		
	LF - Outside	Various		
	LF - Bill Cosby	DeVos Performance Hall		
14-Mar	LF - Hen Sapp Out of the Box Comedy	DeVos Performance Hall		
	LF - Outside	Various		
15-Mar	LF - Betty White Dinner	DeVos Place		
	LF - Betty White Simulcast	DeVos Performance Hall		
	LF - Outside	Various		
16-Mar	Stephen Lynch	DeVos Performance Hall		
	LF - Outside	Various		
17-Mar	Ultimate Sport Show	DeVos Place		
	Sugarland	Van Andel Arena		
	LF - Outside	Various		
18-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Outside	Various		
19-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Outside	Various		
20-Mar	Ultimate Sport Show	DeVos Place		
	Symphony	DeVos Performance Hall		
	Grand Rapids Griffins	Van Andel Arena		
	LF - Gariel Iglesias	DeVos Performance Hall		
	LF - Outside	Various		
21-Mar	Joe Bonamassa	DeVos Performance Hall		

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, May 5, 2011**

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 9:05 a.m. Susan Waddell recorded the meeting minutes in the absence of Secretary/Treasurer Birgit Klohs. Chair Heacock rearranged the agenda by moving up items 4 and 5.

Attendance

Members Present:	Steve Heacock, Chair Lew Chamberlin Joe Tomaselli Floyd Wilson, Jr.	
Members Absent:	George Heartwell Birgit Klohs Gary McInerney	
Staff/Others:	Amy Carrigan David Czurak Daryl Delabbio Tim Gortsema George Helmstead Chris Machuta Rich MacKeigan Doug Small Eddie Tadlock Susan Waddell Jana Wallace Jim Watt Richard Wendt Robert White	Savor ... SMG Food & Beverage <i>Grand Rapids Business Journal</i> Kent County Grand Rapids Griffins Experience Grand Rapids SMG SMG Experience Grand Rapids SMG CAA City of Grand Rapids SMG Dickinson Wright CAA

2. Minutes of Prior Meeting

Motion: Mr. Tomaselli, supported by Mr. Wilson, moved to approve the Minutes of the April 1, 2011, meeting of the Grand Rapids-Kent County Convention/Arena Authority. The motion carried unanimously.

3. Resolution Approving and Authorizing Execution of Management Agreement with SMG

Attorney Dick Wendt stated that the CAA retained the professional services of consultant Susan Seger, who has negotiated hundreds of management agreements. And the consultant, after comprehensive review, concluded that the terms were very reasonable and within industry norms.

Attorney Wendt reviewed a comparison of key provisions between the existing and proposed management agreements between the CAA and SMG.

Boardmember Tomaselli, supported by Boardmember Wilson, moved the adoption of the following resolution:

WHEREAS, the current Management Agreement, as amended between the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), and SMG dated as of July 1, 2006, terminates on June 30, 2011; and

WHEREAS, the CAA and SMG have negotiated a new Management Agreement to be dated and effective July 1, 2011 (the "Management Agreement"); and

WHEREAS, the CAA Board desires to approve and authorize the execution of the Management Agreement substantially in the form presented at this meeting.

RESOLVED:

1. *That the Management Agreement substantially in the form presented at this meeting is hereby approved with such modifications not materially adverse to the CAA approved as to content by the CAA Chairman and as to form by the CAA's legal counsel and the Chairman is authorized and directed to execute the approved Management Agreement for and on behalf of the CAA.*
2. *That all resolutions and parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.*

Motion approved unanimously.

Mr. Wendt stated that he is working with SMG on a letter agreement that would change the relationship of Rich MacKeigan as a CAA employee. Under the letter agreement, the CAA would engage SMG for Rich to provide services.

4. Resolution Approving and Authorizing Execution of Food and Beverage Services Agreement with SMG Food and Beverage LLC

Attorney Dick Wendt stated that the CAA retained the professional services of consultant Chris Bigelow, who assisted and advised regarding the original food and beverage agreement with SMGFB. And the consultant, after comprehensive review, concluded that the terms were very reasonable and within industry norms. Attorney Wendt reviewed a comparison of key provisions between the existing and proposed food and beverage service agreements between the CAA and SMG Food and Beverage LLC.

Boardmember Tomaselli, supported by Boardmember Wilson, moved the adoption of the following resolution:

WHEREAS, the current Food and Beverage Services Agreement, as amended, between the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), and SMG Food and Beverage, LLC dated as of July 1, 2006, terminates on June 30, 2011; and

WHEREAS, the CAA and SMG have negotiated a new Food and Beverage Services Agreement to be dated and effective July 1, 2011 (the "F&B Agreement"); and

WHEREAS, the CAA Board desires to approve and authorize the execution of the F&B Agreement substantially in the form presented at this meeting.

RESOLVED:

1. That the F&B Agreement substantially in the form presented at this meeting is hereby approved with such modifications not materially adverse to the CAA approved as to content by the CAA Chairman and as to form by the CAA's legal counsel and the Chairman is authorized and directed to execute the approved F&B Agreement for and on behalf of the CAA.

2. 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 approved unanimously.

5. Committee Reports

A. Finance Committee

Motion: Mr. Tomaselli, supported by Mr. Wilson, moved to approve: (i) the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended March 31, 2011; (ii) the CAA Financial Statements for the period ended March 31, 2011; and the Third Quarter Consolidated Financial Statement. After review and discussion, the motion carried unanimously.

The Finance Committee earlier reviewed the proposed FY 2012 Budgets and DeVos Place® Rate Sheets in detail and will hold a short meeting on Friday, June 3, 2011, to take formal action on these items.

B. DeVos Place® Parking Operation Agreement

Boardmember Tomaselli, supported by Boardmember Wilson, moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") controls the operation of DeVos Place, a performing arts/convention/entertainment facility (the "Convention Center") including 690 parking spaces located in the lower level of the Convention Center (the "Parking Spaces"); and

WHEREAS, the CAA and the City of Grand Rapids (the "City") previously entered into a Parking Operation Agreement dated July 1, 2008, related to the Parking Spaces which expires June 30, 2011; and

WHEREAS, the CAA and the City desire to continue their relationship with respect to the Parking Spaces for a three year term beginning July 1, 2011, and ending June 30, 2014, and have agreed to enter into a new Parking Operation Agreement (the "Agreement") setting forth the terms and conditions for the operation of the Parking Spaces.

RESOLVED:

1. That the Agreement substantially in the form presented at this meeting with such minor deviations as are not materially adverse to the CAA and approved as to content by the CAA Chairman and as to form by the CAA's counsel is approved.

2. *That the Chairman of the CAA is authorized and directed to execute the Agreement for and on behalf of the City.*

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

Resolution adopted unanimously.

C. Operations Committee

Mr. Chamberlin stated that the proposed FY 2012 budgets, and in particular the capital budget, will be presented to the Operations Committee on June 3.

Mr. Helmstead provided an overview of the CVB's recent sales activities, marketing efforts, and major bid presentations.

6. SMG Report and Facilities Calendar

Mr. MacKeigan presented a summary of the upcoming events that will be held at Van Andel Arena® and DeVos Place®.

7. Public Comment

None.

8. Next Meeting Date

The date for next CAA Board meeting is Friday, June 3, 2011, in the Kent County Commission Chambers, Kent County Administration Building, 300 Monroe Avenue, NW, immediately following the CAA Finance and Operation Committee meetings.

9. Adjournment

There being no other business, the meeting adjourned at 9:30 a.m.

Susan M. Waddell, Recording Secretary

DEVOS PLACE

DE VOS PLACE

OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2012

*****INCLUDES MARCH ROLLING FORECAST*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Hank Abate
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

Event Income

Direct Event Income

Rental Income	2,577,530	2,710,042	(132,512)	-4.89%
Service Income	1,943,940	1,890,329	53,611	2.84%
Service Expenses	(1,990,300)	(2,037,064)	46,764	-2.30%
Total Direct Event Income	2,531,170	2,563,307	(32,137)	-1.25%

Ancillary Income

F & B Concessions	127,931	154,520	(26,589)	-17.21%
F & B Catering	554,520	577,987	(23,467)	-4.06%
Novelty Sales	15,100	13,549	1,551	11.45%
Booth Cleaning	266,815	284,156	(17,341)	-6.10%
Telephone/Long Distance	21,500	18,225	3,275	17.97%
Electrical Services	414,600	429,571	(14,971)	-3.49%
Audio Visual	277,200	254,321	22,879	9.00%
Internet Services	44,000	50,002	(6,002)	-12.00%
Equipment Rental	168,600	170,075	(1,475)	-0.87%
Total Ancillary Income	1,890,266	1,952,406	(62,140)	-3.18%

Other Event Income

Ticket Rebates (Per Event)	163,245	142,000	21,245	14.96%
Total Other Event Income	163,245	142,000	21,245	14.96%

Total Event Income

	4,584,681	4,657,713	(73,032)	-1.57%
--	-----------	-----------	----------	--------

Other Operating Income

	55,000	50,992	4,008	7.86%
--	--------	--------	-------	-------

Adjusted Gross Income

	4,639,681	4,708,705	(69,024)	-1.47%
--	-----------	-----------	----------	--------

Operating Expenses

Employee Salaries and Wages	2,778,139	2,781,569	3,430	0.12%
Benefits	720,240	789,503	69,263	8.77%
Less: Event Labor Allocations	(1,476,327)	(1,551,487)	(75,160)	4.84%
Net Employee Wages and Benefits	2,022,052	2,019,585	(2,467)	-0.12%
Contracted Services	280,080	293,325	13,245	4.52%
General and Administrative	341,700	338,344	(3,356)	-0.99%
Operations	117,741	92,217	(25,524)	-27.68%
Repair & Maintenance	503,065	423,765	(79,300)	-18.71%
Supplies	229,000	177,232	(51,768)	-29.21%
Insurance	206,301	191,147	(15,154)	-7.93%
Utilities	1,553,400	1,515,060	(38,340)	-2.53%
SMG Management Fees	161,845	160,417	(1,428)	-0.89%
Total Operating Expenses	5,415,184	5,211,092	(204,092)	-3.92%

Net Income (Loss) From Operations

	(775,503)	(502,387)	(273,116)	54.36%
--	-----------	-----------	-----------	--------

Other Income (Expenses)

--	--	--	--	--

Net Income After Other Income (Expenses)

	(775,503)	(502,387)	(273,116)	54.36%
--	-----------	-----------	-----------	--------

FY 2010 Audited	Variance More / (Less)	Percentage Change Increase (Decrease)
--------------------	------------------------------	--

2,492,062	85,468	3.43%
2,168,236	(224,296)	-10.34%
(2,212,444)	222,144	-10.04%
2,447,854	83,316	3.40%

144,379	(16,448)	-11.39%
541,299	13,221	2.44%
14,973	127	0.85%
237,495	29,320	12.35%
4,395	17,105	389.19%
411,817	2,783	0.68%
290,952	(13,752)	-4.73%
49,831	(5,831)	-11.70%
148,271	20,329	13.71%
1,843,412	46,854	2.54%

139,236	24,009	17.24%
139,236	24,009	17.24%

4,430,502	154,179	3.48%
-----------	---------	-------

45,311	9,689	21.38%
--------	-------	--------

4,475,813	163,868	3.66%
-----------	---------	-------

2,723,993	(54,146)	-1.99%
738,508	18,268	2.47%
(1,507,507)	(31,180)	2.07%
1,954,994	(67,058)	-3.43%
300,870	20,790	6.91%
288,747	(52,953)	-18.34%
107,023	(10,718)	-10.01%
471,784	(31,281)	-6.63%
168,882	(60,118)	-35.60%
233,403	27,102	11.61%
1,364,395	(189,005)	-13.85%
158,672	(3,173)	-2.00%
5,048,770	(366,414)	-7.26%

(572,957)	(202,546)	35.35%
-----------	-----------	--------

--	--	--

(572,957)	(202,546)	35.35%
-----------	-----------	--------

DeVos Place
Fiscal Year Ending June 30, 2012
Lead Income Statement

		Prior Year FY 2011 Rolling Forecast	Variance More / (Less)
	Total		
Gross Services Billed			
Advertising	30,045	29,216	829
Changeover	10,440	10,153	287
Stagehands	1,133,762	1,161,628	(27,866)
Security	228,149	197,217	30,932
Ushers/Ticket Takers	147,219	143,159	4,060
Box Office - Labor	18,733	18,217	516
Box Office - Ticketing Services	194,475	154,617	39,858
Utilities	9,864	9,592	272
City/Police/Fire	15,974	15,534	440
EMT's	34,400	33,452	948
Cleaning	33,720	32,790	930
Insurance	4,971	4,834	137
Group Sales Commission	1,900	1,848	52
Telephone	3,144	3,057	87
Other Production	77,143	75,016	2,127
Total Services Billed	1,943,940	1,890,329	53,609
Gross Services Expense			
Advertising	49,283	50,440	(1,157)
Stagehands	1,023,313	1,047,356	(24,043)
Security	295,985	302,940	(6,955)
Ushers/Ticket Takers	94,162	96,375	(2,213)
Box Office - Labor	23,042	23,583	(541)
Box Office - Ticketing Services	42,965	43,974	(1,009)
City/Police/Fire	10,760	11,013	(253)
EMT's	29,343	30,032	(689)
Cleaning	312,158	319,492	(7,334)
Insurance	4,132	4,229	(97)
Group Sales Commission	1,574	1,611	(37)
Telephone	598	612	(14)
Other Production	102,986	105,406	(2,420)
Total Services Expense	1,990,300	2,037,064	(46,762)
Total Service Income (Loss)	(46,360)	(146,735)	100,371

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Event Summary Report
For Fiscal Year Ending June 30, 2012

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2011	Variance
	FY 2012	FY 2011							
Convention/Trade Shows	125	134	145,000	980,000	(70,000)	953,000	1,863,000	1,794,894	68,106
Consumer/Gated Shows	50	50	140,000	653,000	(16,000)	285,225	922,225	961,256	(39,031)
Banquets	36	37	23,400	85,680	(19,500)	197,280	263,460	268,513	(5,053)
Meetings	80	85	24,000	175,000	(9,000)	163,850	329,850	326,054	3,796
Other	40	45	18,000	155,000	(20,000)	189,855	324,855	325,309	(454)
Devos Performance Hall	20	20	25,000	120,000	-	87,500	207,500	269,038	(61,538)
Arts Groups	126	137	137,600	408,850	88,140	176,801	673,791	712,649	(38,858)
GRAND TOTALS	477	508	513,000	2,577,530	(46,360)	2,053,511	4,584,681	4,657,713	(73,032)

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2012**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2011 Forecast
Net Revenue above Expenses	1,071,221	(775,503)	295,718	308,552
Benchmark			700,000	700,000
Excess	1,071,221	(775,503)	(404,282)	(391,448)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	161,845	161,845	323,690	320,834
Incentive Fee				
Revenue	4,996,443	4,639,681	9,636,124	9,328,832
Benchmark Revenue	4,850,000	4,250,000	9,100,000	9,000,000
Revenue Excess	146,443	389,681	536,124	328,832
Incentive Fee **	-	-	-	-
Total SMG Management Fee	161,845	161,845	323,690	320,834

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

Note:

SMG shall receive 100% of the incentive fee as calculated above is \$750,000 combined excess revenue above expenses is achieved. Shall receive 75% if \$700,000 is achieved.

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2012

Position	F/Y 2011			F/Y 2012			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager - Ops	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	7.00	11.00	4.00	6.00	10.00	(1.00)
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT		1.00	1.00		1.00	1.00	-
Assistant General Manager - Sales	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager		1.00	1.00		1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	2.00	4.00	6.00	1.00	4.00	5.00	(1.00)
House Manager		1.00	1.00		1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	29.46	35.54	65.00	28.46	34.54	63.00	(2.00)

5



VAN ANDEL ARENA

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2012**

*****INCLUDES MARCH ROLLING FORECAST*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Hank Abate
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

Van Andel Arena
Fiscal Year Ending June 30, 2012
Lead Income Statement

FY 2012 Budget	Prior Year FY 2011 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
-------------------	--	---------------------------------	--

Prior Year FY 2010 Audited	Variance More / (Less)	Percentage Change Increase (Decrease)
----------------------------------	---------------------------------	--

Event Income

Direct Event Income

Rental Income	1,705,703	1,498,929	206,774	13.79%
Service Income	1,259,835	1,333,324	(73,489)	-5.51%
Service Expenses	(1,706,090)	(1,835,477)	129,387	-7.05%
Total Direct Event Income	1,259,448	996,776	262,672	26.35%

1,829,252	(123,549)	-6.75%
1,865,280	(605,445)	-32.46%
(2,217,841)	511,751	-23.07%
1,476,691	(217,243)	-14.71%

Ancillary Income

F & B Concessions	916,306	986,011	(69,705)	-7.07%
F & B Catering	64,778	83,081	(18,303)	-22.03%
Novelty Sales	89,671	98,689	(9,018)	-9.14%
Booth Cleaning	-	1,055	(1,055)	-100.00%
Other Ancillary	30,800	30,776	24	0.08%
Total Ancillary Income	1,101,555	1,199,612	(98,057)	-8.17%

1,104,694	(188,388)	-17.05%
87,813	(23,035)	-26.23%
101,664	(11,993)	-11.80%
1,065	(1,065)	-100.00%
33,620	(2,820)	-8.39%
1,328,856	(227,301)	-17.11%

Other Event Income

Ticket Rebates (Per Event)	426,990	385,500	41,490	10.76%
Total Other Event Income	426,990	385,500	41,490	10.76%

380,498	46,492	12.22%
380,498	46,492	12.22%

Total Event Income

2,787,993	2,581,888	206,105	7.98%
-----------	-----------	---------	-------

3,186,045	(398,052)	-12.49%
-----------	-----------	---------

Other Operating Income

2,208,450	2,038,239	170,211	8.35%
-----------	-----------	---------	-------

2,116,071	92,379	4.37%
-----------	--------	-------

Adjusted Gross Income

4,996,443	4,620,127	376,316	8.15%
-----------	-----------	---------	-------

5,302,116	(305,673)	-5.77%
-----------	-----------	--------

Operating Expenses

Employee Salaries and Wages	1,931,080	1,869,643	(61,437)	-3.29%
Benefits	540,414	497,036	(43,378)	-8.73%
Less: Event Labor Allocations	(873,667)	(812,657)	61,010	-7.51%
Net Employee Wages and Benefits	1,597,827	1,554,022	(43,805)	-2.82%
Contracted Services	265,680	249,753	(15,927)	-6.38%
General and Administrative	333,100	344,755	11,655	3.38%
Operations	56,900	45,343	(11,557)	-25.49%
Repair & Maintenance	211,185	176,165	(35,020)	-19.88%
Supplies	210,600	187,258	(23,342)	-12.47%
Insurance	130,085	132,392	2,307	1.74%
Utilities	958,000	959,083	1,083	0.11%
SMG Management Fees	161,845	160,417	(1,428)	-0.89%
Total Operating Expenses	3,925,222	3,809,188	(116,034)	-3.05%

1,923,507	(7,573)	-0.39%
491,236	(49,178)	-10.01%
(811,330)	62,337	-7.68%
1,603,413	5,586	0.35%
236,105	(29,575)	-12.53%
328,126	(4,974)	-1.52%
39,819	(17,081)	-42.90%
198,384	(12,801)	-6.45%
155,769	(54,831)	-35.20%
160,393	30,308	18.90%
932,113	(25,887)	-2.78%
158,672	(3,173)	-2.00%
3,812,794	(112,428)	-2.95%

Net Income (Loss) From Operations

1,071,221	810,939	260,282	32.10%
-----------	---------	---------	--------

1,489,322	(418,101)	-28.07%
-----------	-----------	---------

Other Income (Expenses)

-	-	-	-
---	---	---	---

-	-	-
---	---	---

Net Income After Other Income (Expenses)

1,071,221	810,939	260,282	32.10%
-----------	---------	---------	--------

1,489,322	(418,101)	-28.07%
-----------	-----------	---------

1

Van Andel Arena
Fiscal Year Ending June 30, 2012
Summary of Service Income

		Prior Year FY 2011 Rolling Forecast	Variance More / (Less)
	Total		
Gross Services Billed			
Advertising	327,881	347,007	(104,155)
Labor	10,617	11,236	(2,696)
Changeover	73,959	78,273	(19,250)
Stagehands	396,024	419,125	(105,879)
Security	60,905	64,458	(15,705)
Ushers/Ticket Takers	53,458	56,577	(12,613)
Box Office - Labor	4,441	4,700	(797)
Box Office - Ticket Service	63,034	66,711	(18,445)
City/Police/Fire	6,127	6,484	(1,783)
EMT's	9,440	9,990	(2,786)
Cleaning	56,176	59,453	(12,058)
Group Sales Commission	16,086	17,024	(5,600)
Telephone	9,596	10,156	(2,841)
Other Production	172,092	182,130	(73,011)
Total Service Income Billed	1,259,835	1,333,324	(377,618)
Gross Services Expense			
Advertising	317,780	341,880	(24,100)
Labor	7,671	8,252	(581)
Contracted Changeover	120,035	129,139	(9,104)
Stagehands	374,907	403,339	(28,432)
Contracted Security	148,275	159,520	(11,245)
Contracted Ushers/Ticket Takers	132,858	142,933	(10,075)
Box Office Labor	3,018	3,247	(229)
Contracted Ticketing Service	50,853	54,710	(3,857)
City/Police/Fire	12,579	13,533	(954)
Contracted EMT's	18,195	19,575	(1,380)
Contracted Cleaning	126,249	135,824	(9,575)
Group Sales Commission	5,917	6,365	(448)
Allocated Telephone	2,554	2,748	(194)
Other Production Expense	385,200	414,413	(29,213)
Total Services Expense	1,706,090	1,835,477	(129,387)
Total Service Income (Loss)	(446,255)	(502,153)	(248,231)

SMG Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary Report
For Fiscal Year Ending June 30, 2012

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2011	Variance
	FY 2012	FY 2011							
Family Shows	22	21	61,500	224,800	(112,931)	100,916	212,785	197,649	15,136
Sports	9	10	40,000	147,900	(57,921)	136,676	226,655	386,217	(159,562)
Concerts	21	16	181,500	816,503	55,800	779,223	1,651,526	1,049,488	602,038
Griffins	38	40	224,200	388,000	(301,920)	453,440	539,520	599,618	(60,098)
Other	10	17	35,000	128,500	(29,283)	58,290	157,507	348,916	(191,409)
GRAND TOTALS	100	104	542,200	1,705,703	(446,255)	1,528,545	2,787,993	2,581,888	206,105

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2012**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2011 Forecast
Net Revenue above Expenses	1,071,221	(775,503)	295,718	308,552
Benchmark			700,000	700,000
Excess	1,071,221	(775,503)	(404,282)	(391,448)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	161,845	161,845	323,690	320,834
Incentive Fee				
Revenue	4,996,443	4,639,681	9,636,124	9,328,832
Benchmark Revenue	4,850,000	4,250,000	9,100,000	9,000,000
Revenue Excess	146,443	389,681	536,124	328,832
Incentive Fee **	-	-	-	-
Total SMG Management Fee	161,845	161,845	323,690	320,834

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

Note:

SMG shall receive 100% of the incentive fee as calculated above is \$750,000 combined excess revenue above expenses is achieved. Shall receive 75% if \$700,000 is achieved.

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2012

Position	F/Y 2011			F/Y 2012			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager - Ops	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	7.00	11.00	4.00	6.00	10.00	(1.00)
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT		1.00	1.00		1.00	1.00	-
Assistant General Manager - Sales	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager		1.00	1.00		1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	2.00	4.00	6.00	1.00	4.00	5.00	(1.00)
House Manager		1.00	1.00		1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	29.46	35.54	65.00	28.46	34.54	63.00	(2.00)

5



Memorandum

To: Grand Rapids – Kent County
Convention/Arena Authority

From: Robert J. White

Date: May 26, 2011

Re: Convention/Arena Authority (CAA)
FY 2012 Budget Request
Updates to Memorandum Dated May 3, 2011

On May 5, the CAA Finance Committee reviewed a preliminary draft of the consolidated Fiscal Year 2012 budget request. It has forecast “estimated” revenues totaling \$10,992,124 with an operating/capital budget request of \$11,277,593. The estimated draw on fund balance amounted to \$285,469.

In the interim, the Fiscal Year 2011 estimates and Fiscal Year 2012 budget recommendations have been amended in the following manner:

- Table B - Reduce Van Andel parking revenue estimate by \$30,000. On May 24, the City Commission adopted Fiscal Year 2012 event and monthly parking rates reduced from levels originally recommended in April.
- Table B - Add a capital project titled “Escalator Safety Strips” in the amount of \$25,000.
- Table B - Increase the Fiscal Year 2011 Miscellaneous Revenue estimate by \$250,000 to reflect a capital contribution to be made by SMG. This contribution is required under Section 6 of the Food and Beverage Agreement approved on May 5.

As a result of these changes, the operating deficit for Fiscal Year 2012 has been increased from \$285,469 to \$340,469. The overall projected fund balance (at 6/30/2012) was increased by a net \$195,000.

It is the staff recommendation to adopt the Fiscal Year 2012 budget as originally recommended with the modifications as noted above. This budget will take effect on July 1, 2011.



Memorandum

To: Grand Rapids – Kent County
Convention/Arena Authority

From: Robert J. White

Date: May 3, 2011 (updated 5/27/11)

Re: Convention/Arena Authority (CAA)
Fiscal Year 2012 Budget Request

The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2011 (Fiscal Year 2012). The format of the report provides the Committee with an overview of Fiscal Year 2010 actual, Fiscal Year 2011 estimate, and Fiscal Year 2012 preliminary recommendations. Preliminary Finance Committee review will be held on May 6th with final Board review scheduled for June 3rd.

Table A provides a summary of the facility manager (SMG) budget documents submitted under separate cover. Based on SMG's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$308,552. Funding, requested for FY 2012, would generate a net operating income of \$245,718.

The Fiscal Year 2012 consolidated income statement (Table C) forecasts a net operating income totaling \$379,531. This income will be applied to finance, in part, a capital outlay request totaling \$926,000. The balance of the funds requested will be supported by interest earnings and a drawdown from the capital reserve account.

Table B provides a summary of the CAA administrative budget. Revenues in this account include regularly scheduled transfers from the facility manager, parking, interest and other miscellaneous contributions to the organization. Expenditures from this account include provision for utilities, capital repair/replacement/improvement (as defined in the SMG management contract), parking management fees, landscape plantings, and other administrative expenses. Table B-1, attached hereto, provides additional details concerning utility and miscellaneous administrative expenditure accounts.

On the basis of these initial budgetary estimates, it is expected that the CAA will close its Fiscal Year 2011 activities with a “fund balance” approximating \$22 million. This would include a recommended minimum operating reserve balance of \$6 million and a capital repair/replacement/improvement reserve of \$16 million.

Prior fiscal year budget recommendations included a Table D entitled “Capital Repair/Replacement/Improvement Reserve – Projection of Receipts, Disbursements and Balances.” The table, last prepared as a part of the Fiscal Year 2009 budget, forecasted capital requirements of approximately \$1 million per annum during the period of Fiscal Year 2010 through Fiscal Year 2014, inclusive, rising to an annual level of approximately \$3 million per annum for the following five fiscal years. Allowing for this level of capital requirements, the forecast identified a Fund Balance of \$13 million at June 30, 2019. Table D has not been updated as part of this Fiscal Year 2012 budget request. Funding for an “Arena Long-Term Capital Study” (see Administrative/Other) was approved as a part of the FY 2011 budget, to provide additional assistance in updating the forecast.

Table D has been included along with the original Fiscal Year 2012 budget materials. This report provides a “Budget Summary by Facility/Other” formatted report. It organizes revenues and expenses in three activity areas including Van Andel Arena®, DeVos Place® Convention Center, and other. This report provides all of the same information contained in Table C, but also allows the reader to view the overall operations of each facility incorporating therein the revenues generated by the parking facilities attached or adjacent to the buildings.

Rich MacKeigan, Chris Machuta, Sue Waddell, and I participated in preparation of the attached recommended budget. We would expect to present this to the Finance Committee, at its May meeting, and be prepared to answer any additional questions which may arise from a review of this material.

Attachments: FY 2012 Recommended Budget

Table A
Grand Rapids-Kent County Convention/Arena Authority
SMG Facilities Budget
Fiscal Years Ending June 30, 2010 - 2012

	FY 2010	FY 2011		FY 2012
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 5,302,116	\$ 5,136,171	\$ 4,620,127	\$ 4,996,443
- Expenses - Facilities	(3,654,125)	(3,767,884)	(3,648,771)	(3,763,377)
- Base Management Fees	(158,672)	(158,672)	(160,417)	(161,845)
Net Operating Income	<u>\$ 1,489,319</u>	<u>\$ 1,209,615</u>	<u>\$ 810,939</u>	<u>\$ 1,071,221</u>
DeVos Place				
Operating - Revenues	\$ 4,475,813	\$ 4,507,596	\$ 4,708,705	\$ 4,639,681
- Expenses - Facilities	(4,890,100)	(5,059,868)	(5,050,675)	(5,253,339)
- Base Management Fees	(158,672)	(158,671)	(160,417)	(161,845)
Net Operating Loss	<u>\$ (572,959)</u>	<u>\$ (710,943)</u>	<u>\$ (502,387)</u>	<u>\$ (775,503)</u>
Net Available to CAA:				
Van Andel Arena	\$ 1,489,319	\$ 1,209,615	\$ 810,939	\$ 1,071,221
DeVos Place	(572,959)	(710,943)	(502,387)	(775,503)
Less - SMG Incentive	(238,379)	-	-	-
- DeVos Parking Maintenance	-	(10,000)	0	(50,000)
	<u>\$ 677,981</u>	<u>\$ 488,672</u>	<u>\$ 308,552</u>	<u>\$ 245,718</u>

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2012 Recommendation

	<u>FY 2010</u>	<u>FY 2011</u>		<u>FY 2012</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:				
Facility Operations	\$ 677,981	\$ 488,672	\$ 308,552	\$ 245,718
Utility Reimbursement	<u>2,141,458</u>	<u>2,197,800</u>	<u>2,316,143</u>	<u>2,349,600</u>
Transfers from SMG	2,819,439	2,686,472	2,624,695	2,595,318
DeVos Place Parking	780,867	857,613	805,000	930,000 ⁽¹⁾
VanAndel Parking	123,112	125,003	144,452	160,000 ⁽¹⁾
Interest	322,422	435,000	210,000	206,000 ⁽²⁾
Miscellaneous	<u>95,217</u>	<u>30,000</u>	<u>280,000 ⁽⁸⁾</u>	<u>30,000 ⁽³⁾</u>
Total Revenues	<u>4,141,057</u>	<u>4,134,088</u>	<u>4,064,147</u>	<u>3,921,318</u>
Expenditures:				
Utilities	2,141,458	2,197,800	2,316,143	2,349,600 ⁽⁵⁾
Other Operating	270,392	417,842	373,081	391,579 ⁽⁶⁾
Administration/Other	426,123	549,984	538,642	594,608 ⁽⁷⁾
Capital-Repair	279,028	-	-	-
Capital	<u>415,117</u>	<u>4,085,000</u>	<u>3,557,841</u>	<u>926,000 ⁽⁴⁾</u>
Total Expenditures	<u>3,532,118</u>	<u>7,250,626</u>	<u>6,785,707</u>	<u>4,261,787</u>
Net Excess (Deficit)	<u>\$ 608,939</u>	<u>\$ (3,116,538)</u>	<u>\$ (2,721,560)</u>	<u>\$ (340,469)</u>

Notes: See Following

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2012 Recommendation

Notes:

⁽¹⁾ DeVos Place Parking Rates:	FY 2011	FY 2012
30 Minutes	\$ 1.00	\$ 1.00
Daily Maximum	10.00	12.00
Event	7.00	8.00
Monthly -Public	142.50	150.00
-Reserved Premium	52.50	55.00
-County/SMG (O+M)	18.31	45.62

Van Andel Arena Parking Rates:		
Event	\$ 8.00	\$ 8.00
Non-Event Coin Unit	3.00	\$ 5.00
Monthly -Public	67.00	69.00

⁽²⁾ \$20.6 million (1/31/11 pool balance) in invested funds at 1%.

⁽³⁾ Wine & Food Festival - \$16,000 and other Miscellaneous.

⁽⁴⁾ FY 2011 Carryover Projects:

Theater Shell Upgrade	DVP	\$ 100,000
-----------------------	-----	------------

FY 2012 Eligible Projects:		
Timing/Scoring Function/Displays	VAA	\$ 220,000
SW Elevator Drive	VAA	17,000
Portable Radio Communications	VAA	50,000
Water Purification Ice Making	VAA	35,000
Portable Radio Communications	DVP	\$ 50,000
Energy/Sustainability Efforts	DVP	38,000
Escalator Safety Strips	DVP	25,000
Theater Outdoor Marquee	DVP	50,000
Fuel Storage Tank	DVP	17,000
Theater Shell Compressor	DVP	9,000
Security Upgrades	DVP	65,000
Technology	DVP	40,000
Bathroom Upgrades	DVP	50,000
Merchandise Cart	VAA F&B	\$ 10,000
Electronic Menu Board System	VAA F&B	150,000
Total Capital Request		<u>\$ 926,000</u>

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Detail of Expenditure Estimates
FY 2012 Recommendation

		FY 2010	FY 2011		FY 2012
		<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Utilities⁽⁵⁾:					
	Electricity	\$ 1,303,446	\$ 1,239,000	\$ 1,426,686	\$ 1,400,800
	Steam/Gas	725,817	846,000	775,790	836,000
	Water/Sewer	112,195	112,800	113,667	112,800
		<u>\$ 2,141,458</u>	<u>\$ 2,197,800</u>	<u>\$ 2,316,143</u>	<u>\$ 2,349,600</u>
Other Operating⁽⁶⁾:					
	Parking Management	\$ 171,651	\$ 119,342	\$ 194,081	\$ 213,579
	Marketing Campaign	-	100,000	-	-
	Landscaping	13,393	90,000	25,000	30,000
	Pedestrian Safety	85,348	85,000	104,000	108,000
	Repairs - F&B	-	23,500	50,000	40,000
		<u>\$ 270,392</u>	<u>\$ 417,842</u>	<u>\$ 373,081</u>	<u>\$ 391,579</u>
Administration/Other⁽⁷⁾:					
	Wages	\$ 81,085	\$ 106,984	\$ 111,934	\$ 93,944
	Benefits	24,441	24,500	23,044	22,780
	Accounting/Audit	34,967	36,000	33,000	36,000
	Legal Services	39,711	35,000	32,000	35,000
	DID Assessment	53,175	53,500	55,103	58,721 ^(A)
	Consulting Services	-	-	-	76,663 ^(B)
	Insurance	22,903	24,000	23,561	24,000
	Meetings/Supplies	42,436	15,000	15,000	20,000
	Arena Long-Term Capital Study	-	50,000	50,000	7,500
	Marketing - CVB	75,000	75,000	75,000	75,000
	Marketing - Sports Commission	25,000	25,000	25,000	25,000
	Diversity Initiative	15,106	40,000	40,000	50,000
	Procurement of Art (ArtPrize)	-	25,000	25,000	30,000
	Other	12,299	40,000	30,000	40,000
		<u>\$ 426,123</u>	<u>\$ 549,984</u>	<u>\$ 538,642</u>	<u>\$ 594,608</u>

Notes:

^(A) Downtown Improvement District special assessment contribution from CAA based on benefit allocation formula.

^(B) FY 2012 budget recommendation anticipates continuing requirement for consulting assistance, plus \$50,000 for an economic impact study.

⁽⁸⁾ Miscellaneous Revenue (FY 2011) includes a \$250,000 capital contribution from SMG under terms of the new food and beverage agreement.

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2010-2012

		FY 2010		FY 2011		FY 2012			
		Actual		Budget		Estimate		Recommendation	
Operating Revenue:									
Event	- VanAndel Arena	\$	1,476,691	\$	1,460,958	\$	996,776	\$	1,259,448
	- DeVos Place		2,447,855		2,409,380		2,563,307		2,531,170
Ancillary	- VanAndel Arena		1,328,856		1,230,438		1,199,612		1,101,555
	- DeVos Place		1,843,411		1,907,266		1,952,406		1,890,266
Other	- VanAndel Arena		2,496,569		2,444,775		2,423,739		2,635,440
	- DeVos Place		184,547		190,950		192,992		218,245
	-Administration		95,217		30,000		30,000		30,000
Parking	- VanAndel Arena		123,112		125,003		144,452		160,000
	- DeVos Place		780,867		857,613		805,000		930,000
			10,777,125		10,656,383		10,308,284		10,756,124
Operating Expense / Appropriations:									
Facility Operations									
	- VanAndel Arena		3,654,125		3,767,884		3,648,771		3,763,377
	- DeVos Place		4,890,100		5,059,868		5,050,675		5,253,339
	- Management		555,723		317,343		320,834		323,690
	- Parking Maintenance		-		10,000		-		50,000
Other Operating			270,392		417,842		373,081		391,579
Capital-Repair			279,028		-		-		-
Administration/Other			426,123		549,984		538,642		594,608
			10,075,491		10,122,921		9,932,003		10,376,593
Operating Income			701,634		533,462		376,281		379,531
Non-Operating Revenue:									
Interest/Capital Contribution			322,422		435,000		460,000		206,000
Transfer (to) from Capital Acct.			(415,117)		(4,085,000)		(3,557,841)		(926,000)
			(92,695)		(3,650,000)		(3,097,841)		(720,000)
Net Income (Loss)			608,939		(3,116,538)		(2,721,560)		(340,469)
Fund Balance, beg. of yr.			24,119,455		24,728,394		24,728,394		22,006,834
Fund Balance, end of yr.		\$	24,728,394	\$	21,611,856	\$	22,006,834	\$	21,666,365

Table D
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
FY 2012 Recommendation

	FY 2010	FY 2011		FY 2012
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 5,302,116	\$ 5,136,171	\$ 4,620,127	\$ 4,996,443
- Expenses - Facilities	(3,654,125)	(3,767,884)	(3,648,771)	(3,763,377)
- Base Management Fees	(158,672)	(158,671)	(160,417)	(161,845)
Net Operating Income	1,489,319	1,209,616	810,939	1,071,221
Parking (net of allocated expenses)	123,112	125,003	144,452	160,000
Net Proceeds from VAA	1,612,431	1,334,619	- 955,391	1,231,221
DeVos Place Convention Center				
Operating - Revenues	4,475,813	4,507,596	4,708,705	4,639,681
- Expenses - Facilities	(4,890,100)	(5,059,768)	(5,050,675)	(5,253,339)
- Base Management Fees	(158,672)	(158,671)	(160,417)	(161,845)
Net Operating Loss	(572,959)	(710,843)	(502,387)	(775,503)
Parking (net of allocated expenses)	609,216	738,271	610,919	716,421
Net Proceeds (Cost) of DVP	36,257	27,428	108,532	(59,082)
Other				
Revenues				
Interest/Capital Contribution	322,422	435,000	460,000	206,000
Miscellaneous	95,217	30,000	30,000	30,000
	417,639	465,000	490,000	236,000
Expenses				
Other Operating	377,769	298,500	179,000	178,000
Administration/Other	426,123	549,984	538,642	594,608
Less - SMG Incentive	238,379	-	-	-
- DeVos Parking Maintenance	-	10,000	-	50,000
	1,042,271	858,484	717,642	822,608
Net Other	(624,632)	(393,484)	(227,642)	(586,608)
Total Operating	\$ 1,024,056	\$ 968,563	\$ 836,281	\$ 585,531
Capital Expenditures	415,117	4,085,000	3,557,841	926,000
Results Net of Capital Expenditures	\$ 608,939	\$ (3,116,437)	\$ (2,721,560)	\$ (340,469)



May 2, 2011

TO: CAA Board of Directors
CAA Operations Committee
CAA Finance Committee

THROUGH: Rich MacKeigan, General Manager, DeVos Place/Van Andel Arena

FROM:  Eddie Tadlock, Assistant General Manager, DeVos Place

RE: Rental Rates, DeVos Place

Convention
Arena
Authority

Steven Heacock,
Chairman
Birgit Klohs
Clif Charles
Gary McInerney
George Heartwell
Joseph Tomaselli
Lew Chamberlin

I would like to take this opportunity to present SMG's recommendations for Room Rental Rates for DeVos Place, effective FY July 2012 through FY June 2016. SMG has established a 5 year rate card for DeVos Place to provide potential clients the option to secure rental rates in outlying years, and in some instances multiple years. Historically, while rental rates at DeVos Place have not increased more than 3.25% each year over the past few years (averaging between 2.75% - 3%); our rates continue to hover in the mid-range on the regional average. Our current pricing schedules reflect current economic assumptions in the regional marketplace and knowledge of rental rates of comparable venues of similar size in the area.

We consider our current five year rate card to be a key marketing element for the facility. Given the flexibility to negotiate rental rates with clients (limited to an increase or reduction no greater than 20% of the approved rates) current rates afford us continued opportunities to be competitive in the bidding process for Regional and National Conventions. By keeping our current 5 year rental rate card, we position ourselves appropriately to deliver the most value for the quality of product we serve.

Within the current structure of the rental rate cards approved by the CAA last fiscal year, SMG is committed to providing the best services required in the marketing of the facilities.

Attachments: Rental Rate Schedules FY's, 2012, 2013, 2014, 2015 *2016

*Seeking Approval



Van Andel Arena®
130 Fulton West
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590



ROOM RENTAL RATES

FY 2012 (July 1, 2011 – June 30, 2012)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$2,800 vs 12%	\$2,800/1 st Performance \$1,400/2 nd Performance	N/A	N/A	\$2,800	N/A
DeVos Hall (Fri-Sat)	\$3,300 vs 12%	\$3,300/1 st Performance \$1,650/2 nd Performance	N/A	N/A	\$2,800	N/A
Hall A-C	\$18,450 vs 12%	N/A	\$15,075 or \$.25 net sq. ft.	\$18,450 or \$.29 net sq. ft.	\$18,450	\$9,450
Hall A-B or B-C	\$12,300 vs 12%	N/A	\$10,050 or \$.25 net sq. ft.	\$12,300 or \$.29 net sq. ft.	\$12,300	\$6,300
Hall A, B, Or C	\$6,150 vs 12%	N/A	\$5,025 or \$.25 net sq. ft.	\$6,150 or \$.29 net sq. ft.	\$6,150	\$3,150
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,350 vs 12%	N/A	\$1,100 or \$.25 net sq. ft.	\$1,350 or \$.29 net sq. ft.	\$1,350	\$975
Meeting Rooms Grand Gallery Individual	\$450 vs 12%	N/A	\$450 or \$.25 net sq. ft.	\$450 or \$.29 net sq. ft.	\$450	\$450
Ballroom	\$5,450 vs 12%	N/A	\$4,450 or \$.25 net sq. ft.	\$5,450 or \$.29 net sq. ft.	\$5,450	\$3,200
Ballroom A,B,C-D	\$1,900 vs 12%	N/A	\$1,800 or \$.25 net sq. ft.	\$1,900 or \$.29 net sq. ft.	\$1,900	\$1,450
Ballroom C or D	\$1,050 vs 12%	N/A	\$1,000 or \$.25 net sq. ft.	\$1,050 or \$.29 net sq. ft.	\$1,050	\$950
River Overlook Meeting Rooms	\$450 vs 12%	N/A	\$450 per day	\$450 per day	\$450	\$450
Board Room	N/A	N/A	\$500 per day	\$500 per day	\$500	\$500
Monroe Meeting Rooms A-D	\$950 vs 12%	N/A	\$900 per day	\$950 per day	\$950	\$900
Monroe Meeting Room B, C, or D	N/A	N/A	\$350 per day	\$350 per day	\$350	\$350
Recital Hall or Monroe Meeting Room A	\$675 vs 12%	N/A	\$675 per day	\$675 per day	\$675	\$675

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

ROOM RENTAL RATES

FY 2013 (July 1, 2012 – June 30, 2013)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$2,900 vs 12%	\$2,900/1 st Performance \$1,450/2 nd Performance	N/A	N/A	\$2,900	N/A
DeVos Hall (Fri-Sat)	\$3,400 vs 12%	\$3,400/1 st Performance \$1,700/2 nd Performance	N/A	N/A	\$2,900	N/A
Hall A-C	\$18,975 vs 12%	N/A	\$15,600 or \$.25 net sq. ft.	\$18,975 or \$.29 net sq. ft.	\$18,975	\$9,750
Hall A-B or B-C	\$12,650 vs 12%	N/A	\$10,400 or \$.25 net sq. ft.	\$12,650 or \$.29 net sq. ft.	\$12,650	\$6,500
Hall A, B, Or C	\$6,325 vs 12%	N/A	\$5,200 or \$.25 net sq. ft.	\$6,325 or \$.29 net sq. ft.	\$6,325	\$3,250
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,400 vs 12%	N/A	\$1,150 or \$.25 net sq. ft.	\$1,400 or \$.29 net sq. ft.	\$1,400	\$1,000
Meeting Rooms Grand Gallery Individual	\$475 vs 12%	N/A	\$475 or \$.25 net sq. ft.	\$475 or \$.29 net sq. ft.	\$475	\$475
Ballroom	\$5,600 vs 12%	N/A	\$4,600 or \$.25 net sq. ft.	\$5,600 or \$.29 net sq. ft.	\$5,600	\$3,300
Ballroom A,B,C-D	\$1,950 vs 12%	N/A	\$1,850 or \$.25 net sq. ft.	\$1,950 or \$.29 net sq. ft.	\$1,950	\$1,500
Ballroom C or D	\$1,100 vs 12%	N/A	\$1,050 or \$.25 net sq. ft.	\$1,100 or \$.29 net sq. ft.	\$1,100	\$1,000
River Overlook Meeting Rooms	\$475 vs 12%	N/A	\$475 per day	\$475 per day	\$475	\$475
Board Room	N/A	N/A	\$525 per day	\$525 per day	\$525	\$525
Monroe Meeting Rooms A-D	\$1,000 vs 12%	N/A	\$950 per day	\$1,000 per day	\$1,000	\$950
Monroe Meeting Room B, C, or D	N/A	N/A	\$375 per day	\$375 per day	\$375	\$375
Recital Hall or Monroe Meeting Room A	\$700 vs 12%	N/A	\$700 per day	\$700 per day	\$700	\$700

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

ROOM RENTAL RATES

FY 2014 (July 1, 2013 – June 30, 2014)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,000 vs 12%	\$3,000/1 st Performance \$1,500/2 nd Performance	N/A	N/A	\$3,000	N/A
DeVos Hall (Fri-Sat)	\$3,500 vs 12%	\$3,500/1 st Performance \$1,750/2 nd Performance	N/A	N/A	\$3,000	N/A
Hall A-C	\$19,500 vs 12%	N/A	\$16,125 or \$.25 net sq. ft.	\$19,500 or \$.29 net sq. ft.	\$19,500	\$10,050
Hall A-B or B-C	\$13,000 vs 12%	N/A	\$10,750 or \$.25 net sq. ft.	\$13,000 or \$.29 net sq. ft.	\$13,000	\$6,700
Hall A, B, Or C	\$6,500 vs 12%	N/A	\$5,375 or \$.25 net sq. ft.	\$6,500 or \$.29 net sq. ft.	\$6,500	\$3,350
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,450 vs 12%	N/A	\$1,200 or \$.25 net sq. ft.	\$1,450 or \$.29 net sq. ft.	\$1,450	\$1,025
Meeting Rooms Grand Gallery Individual	\$500 vs 12%	N/A	\$500 or \$.25 net sq. ft.	\$500 or \$.29 net sq. ft.	\$500	\$500
Ballroom	\$5,750 vs 12%	N/A	\$4,750 or \$.25 net sq. ft.	\$5,750 or \$.29 net sq. ft.	\$5,750	\$3,400
Ballroom A,B,C-D	\$2,000 vs 12%	N/A	\$1,900 or \$.25 net sq. ft.	\$2,000 or \$.29 net sq. ft.	\$2,000	\$1,550
Ballroom C or D	\$1,150 vs 12%	N/A	\$1,100 or \$.25 net sq. ft.	\$1,150 or \$.29 net sq. ft.	\$1,150	\$1,050
River Overlook Meeting Rooms	\$500 vs 12%	N/A	\$500 per day	\$500 per day	\$500	\$500
Board Room	N/A	N/A	\$550 per day	\$550 per day	\$550	\$550
Monroe Meeting Rooms A-D	\$1,050 vs 12%	N/A	\$1,000 per day	\$1,050 per day	\$1,050	\$1,000
Monroe Meeting Room B, C, or D	N/A	N/A	\$400 per day	\$400 per day	\$400	\$400
Recital Hall or Monroe Meeting Room A	\$750 vs 12%	N/A	\$750 per day	\$750 per day	\$750	\$750

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

ROOM RENTAL RATES

FY 2015 (July 1, 2014 – June 30, 2015)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,100 vs 12%	\$3,100/1 st Performance \$1,550/2 nd Performance	N/A	N/A	\$3,100	N/A
DeVos Hall (Fri-Sat)	\$3,600 vs 12%	\$3,600/1 st Performance \$1,800/2 nd Performance	N/A	N/A	\$3,100	N/A
Hall A-C	\$20,025 vs 12%	N/A	\$16,650 or \$.25 net sq. ft.	\$20,025 or \$.29 net sq. ft.	\$20,025	\$10,350
Hall A-B or B-C	\$13,350 vs 12%	N/A	\$11,100 or \$.25 net sq. ft.	\$13,350 or \$.29 net sq. ft.	\$13,350	\$6,900
Hall A, B, Or C	\$6,675 vs 12%	N/A	\$5,550 or \$.25 net sq. ft.	\$6,675 or \$.29 net sq. ft.	\$6,675	\$3,450
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,500 vs 12%	N/A	\$1,250 or \$.25 net sq. ft.	\$1,500 or \$.29 net sq. ft.	\$1,500	\$1,050
Meeting Rooms Grand Gallery Individual	\$525 vs 12%	N/A	\$525 or \$.25 net sq. ft.	\$525 or \$.29 net sq. ft.	\$525	\$525
Ballroom	\$5,900 vs 12%	N/A	\$4,900 or \$.25 net sq. ft.	\$5,900 or \$.29 net sq. ft.	\$5,900	\$3,500
Ballroom A,B,C-D	\$2,050 vs 12%	N/A	\$1,950 or \$.25 net sq. ft.	\$2,050 or \$.29 net sq. ft.	\$2,050	\$1,600
Ballroom C or D	\$1,200 vs 12%	N/A	\$1,150 or \$.25 net sq. ft.	\$1,200 or \$.29 net sq. ft.	\$1,200	\$1,100
River Overlook Meeting Rooms	\$525 vs 12%	N/A	\$525 per day	\$525 per day	\$525	\$525
Board Room	N/A	N/A	\$575 per day	\$575 per day	\$575	\$575
Monroe Meeting Rooms A-D	\$1,100 vs 12%	N/A	\$1,050 per day	\$1,100 per day	\$1,100	\$1,050
Monroe Meeting Room B, C, or D	N/A	N/A	\$425 per day	\$425 per day	\$425	\$425
Recital Hall or Monroe Meeting Room A	\$775 vs 12%	N/A	\$775 per day	\$775 per day	\$775	\$775

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

ROOM RENTAL RATES

FY 2016 (July 1, 2015 – June 30, 2016)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,200 vs 12%	\$3,200/1 st Performance \$1,600/2 nd Performance	N/A	N/A	\$3,200	N/A
DeVos Hall (Fri-Sat)	\$3,700 vs 12%	\$3,700/1 st Performance \$1,850/2 nd Performance	N/A	N/A	\$3,200	N/A
Hall A-C	\$20,550 vs 12%	N/A	\$17,175 or \$.25 net sq. ft.	\$20,550 or \$.29 net sq. ft.	\$20,550	\$10,650
Hall A-B or B-C	\$13,700 vs 12%	N/A	\$11,450 or \$.25 net sq. ft.	\$13,700 or \$.29 net sq. ft.	\$13,700	\$7,100
Hall A, B, Or C	\$6,850 vs 12%	N/A	\$5,725 or \$.25 net sq. ft.	\$6,850 or \$.29 net sq. ft.	\$6,850	\$3,550
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,550 vs 12%	N/A	\$1,300 or \$.25 net sq. ft.	\$1,550 or \$.29 net sq. ft.	\$1,550	\$1,075
Meeting Rooms Grand Gallery Individual	\$550 vs 12%	N/A	\$550 or \$.25 net sq. ft.	\$550 or \$.29 net sq. ft.	\$550	\$550
Ballroom	\$6,050 vs 12%	N/A	\$5,050 or \$.25 net sq. ft.	\$6,050 or \$.29 net sq. ft.	\$6,050	\$3,600
Ballroom A,B,C-D	\$2,100 vs 12%	N/A	\$2,000 or \$.25 net sq. ft.	\$2,100 or \$.29 net sq. ft.	\$2,100	\$1,650
Ballroom C or D	\$1,250 vs 12%	N/A	\$1,200 or \$.25 net sq. ft.	\$1,250 or \$.29 net sq. ft.	\$1,250	\$1,150
River Overlook Meeting Rooms	\$550 vs 12%	N/A	\$550 per day	\$550 per day	\$550	\$550
Board Room	N/A	N/A	\$600 per day	\$600 per day	\$600	\$600
Monroe Meeting Rooms A-D	\$1,150 vs 12%	N/A	\$1,100 per day	\$1,150 per day	\$1,150	\$1,100
Monroe Meeting Room B, C, or D	N/A	N/A	\$450 per day	\$450 per day	\$450	\$450
Recital Hall or Monroe Meeting Room A	\$825 vs 12%	N/A	\$825 per day	\$825 per day	\$825	\$825

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION
OF FIRST ADDENDUM TO MANAGEMENT AGREEMENT WITH SMG**

Boardmember _____, supported by Boardmember _____,
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") dated and effective as of July 1, 2011 to promote, operate, maintain, market and manage the Van Andel Arena and DeVos Place; and

WHEREAS, the CAA desires to engage SMG to provide additional services outside and beyond the scope of services in the Agreement; and

WHEREAS, the additional services shall be performed as described and in accordance with a First Addendum to Management Agreement (the "First Addendum") dated as of July 1, 2011.

RESOLVED:

1. That the First Addendum substantially in the form presented at this meeting is hereby approved with such modifications not materially adverse to the CAA approved as to content by the CAA Chairman and as to form by the CAA's legal counsel and the CAA Chairman is authorized and directed to execute the approved First Addendum for and on behalf of the CAA.

2. 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 _____

Dated: June 3, 2011

Susan 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 June 3, 2011, 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: June 3, 2011

Susan Waddell
Administrative Manager/Recording Secretary

FIRST ADDENDUM TO MANAGEMENT AGREEMENT

THIS FIRST ADDENDUM TO MANAGEMENT AGREEMENT (the "First Addendum") is dated as of July 1, 2011, between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY** (the "CAA") and **SMG**.

RECITALS

A. The CAA and SMG have entered into a Management Agreement (the "Agreement") dated and effective as of July 1, 2011, for SMG to promote, operate, maintain, market and manage the Arena and Convention Center, collectively referred to as the Facilities, as an independent contractor pursuant to the terms of the Agreement.

B. The CAA further desires to engage SMG to provide additional services to the CAA outside and beyond the scope of services to be provided by SMG pursuant to the Agreement.

C. The additional services to be provided by SMG shall be as identified and provided in this First Addendum

NOW, THEREFORE, in consideration of the additional mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Additional Services. Pursuant to the terms and conditions of this Agreement SMG shall provide the additional services identified in Attachment A attached hereto and incorporated herein (the "Additional Services").

Section 2. Performance of Additional Services. It is agreed by the parties hereto that the Additional Services shall be performed by SMG employee, Richard MacKeigan ("MacKeigan"). MacKeigan shall (a) devote an average of not less than 7 hours per week and not more than 8 hours per week determined on the basis of 48 weeks per Fiscal Year and (b) keep track of the time he devotes to performing the Additional Services so that it may be distinguished from the scope of services MacKeigan performs pursuant to the Agreement as General Manager of the Facilities.

Section 3. Compensation for Additional Services. SMG shall receive \$30,000 as compensation for the performance of the Additional Services for the first Fiscal Year of the Initial Term. Thereafter, for each Fiscal Year during the Initial Term and the First Renewal Term, if any, and Second Renewal Term, if any, the amount shall be adjusted on the first day of each subsequent Fiscal Year by the percentage change in the Consumer Price Index All Urban Consumers (CPI-U), U.S. city average, during the one year period ending in June immediately preceding such Fiscal Year, as published by the U.S. Department of Labor, *provided*, that for purposes of this adjustment the amount of any decrease below 0% or any increase above 3% yearly should be disregarded. Such amounts shall be paid by the CAA to SMG in quarterly

installments at the end of each calendar quarter. SMG agrees to pay such amounts less normal and customary withholdings to MacKeigan.

Section 4. Term. Subject to early termination as provided in Section 5 hereof, the term of this First Addendum shall run simultaneously with the Initial Term and First Renewal Term and Second Renewal Term, as applicable, in the Agreement.

Section 5. Early Termination. Either party may terminate this First Addendum at anytime without cause upon 30 days advanced written notice to the other party in accordance with the notice provisions of this Agreement or with less than 30 days written notice for cause. In addition, since the CAA has agreed to enter into this First Addendum based on the representation that the Additional Services will be personally performed by MacKeigan, the CAA may immediately terminate this First Addendum upon written notice to SMG in accordance with the Agreement if MacKeigan shall be unavailable, unwilling or unable to perform the Additional Services. All compensation payable to SMG under this First Addendum shall be prorated to the date of termination and paid to SMG.

Section 6. Independent Contractor. The relationship of SMG to the CAA under this First Addendum shall be that of an independent contractor and nothing contained herein is intended or shall be construed to create or establish a partnership or joint venture between the CAA and SMG. MacKeigan shall be an employee of SMG and shall not be deemed an employee of the CAA for any purpose whatsoever.

Section 7. Amendment. This First Addendum shall not be altered, modified or amended in whole or in part, except in a writing executed by both parties hereto.

Section 8. Termination of Letter Agreement. On the Effective Date (as hereinafter defined) of this First Addendum the letter agreement dated August 23, 2006, between the CAA and MacKeigan shall terminate.

Section 9. Definitions. Terms used and not defined in this First Addendum shall have those meanings as defined in the Agreement.

Section 10. Effective Date. This First Addendum is effective July 1, 2011 (the "Effective Date").

IN WITNESS WHEREOF, this First Addendum 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

By: _____
John F. Burns
Chief Financial Officer

I hereby consent to the provisions of
Section 8 of the First Addendum.

Richard MacKeigan

Dated: June __, 2011.

ATTACHMENT A

Additional Services

All of the following will be performed in consultation with the CAA Chairman and other members of the CAA Board, as appropriate. All substantive decisions shall require CAA Board approval.

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

VAN ANDEL ARENA® WEEKLY

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Jun 1	Available					
Thur, Jun 2	Available					
Fri, Jun 3	Available					
Sat, Jun 4	Spotlight Saturdays	DG	LYNNE	5/3 Bank Vault	9P-2A	Urban mixer
Sun, Jun 5	Available					
Mon, Jun 6	Available					
Tue, Jun 7	Available					
Wed, Jun 8	SMG	LH		Banquet C	9A-12P 1P-4P	CPR Training CPR Training
Thur, Jun 9	SMG	LH		Banquet C	9A-12P 1P-4P	CPR Training CPR Training
Fri, Jun 10	SMG	LH		Banquet C	8:30A-3:30P	CPR Training
Sat, Jun 11	Available					
Sun, Jun 12	Available					
Mon, Jun 13	Available					
Tue, Jun 14	Available					
Wed, Jun 15	Available					
Thur, Jun 16	Available					
Fri, Jun 17	Available					
Sat, Jun 18	Available					
Sun, Jun 19	Available					
Mon, Jun 20	Available					
Tue, Jun 21	Available					
Wed, Jun 22	Available					
Thur, Jun 23	Available					
Fri, Jun 24	Available					
Sat, Jun 25	Available					
Sun, Jun 26	Available					

DEVOSPLACE

REVISED WEEKLY – 2011

TUE MAY 31	COMPACTOR MAINTENANCE (SMG)	LYON STREET	ALL DAY	COMPACTOR MAINTENANCE	RW
WED. JUNE 1	COMPACTOR MAINTENANCE (SMG)	LYON STREET	ALL DAY	COMPACTOR MAINTENANCE	RW
	MI JUNIORS VOLLEYBALL STATE CHAMPIONSHIP	EH B-C Storage, Hall B South Exhibit Halls A-C	4:00PM – 8:00PM 5:00PM – 8:00PM	Setup – Equipment Sort Chalk Drawing for Court Layout	RC
THURS. JUNE 2	MI JUNIORS VOLLEYBALL STATE CHAMPIONSHIP	EH A-C, Ballrooms A-D, Grand Gallery	7:30AM 8:00AM 9:00AM – 8:00PM	Client Arrival Semi Trucks Arrivals (1 Lyon, 5 MI Dock) Court Setups	RC
FRI. JUNE 3	MI JUNIORS VOLLEYBALL STATE CHAMPIONSHIP	EH A-C, Ballrooms A-D, GG, GG A-F EH A-C Exhibit Hall	7:30AM 8:00AM – 5:00PM 5:00PM – 9:00PM 6:00PM – 10:00PM	Client Arrival Net – Signage Setups Team practices-walk thru Age 10 and 11	RC
SAT. JUNE 4	MI JUNIOR VOLLEYBALL STATE CHAMPIONSHIP	Gallery A-F, Grand Gallery, Patio, Exhibit Hall Show Offices A-C	5:30AM 7:00AM 8:00AM – 10:00PM 10:00PM	Client Arrival Doors Open to the public Event MJVBA Staff Departs	RC EST. ATTENDANCE 6,000
SUN. JUNE 5	MI JUNIOR VOLLEYBALL STATE CHAMPIONSHIP	EH A-C, Ballrooms A-D, Grand Gallery A-F, Grand Gallery, Patio, Exhibit Hall Show Offices A-C	5:30AM 7:00AM 8:00AM – 7:00PM 4:00PM – to complete 5:00PM – to complete	Client Arrival Doors Open to the public Event Ballroom Court break down Exhibit Hall Court break down	RC EST. ATTENDANCE 6,000
MON. JUNE 6	GVSU ENRICHMENT DINNER	Ballroom A-D	8:00am-1:00pm 1:00pm-2:00pm 2:00pm-6:00pm	Production Load In Production Break Production Load In Cont.	JL

G A-F = Grand Gallery Meeting Rooms A-F
GG = Grand Gallery Area
RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H
MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C
DV = DeVos Performance Hall
BALL A-D = Ballroom A-D

DEVOSPLACE

REVISED WEEKLY - 2011

TUES. JUNE 7	GVSU ENRICHMENT DINNER	Ballroom A-D	9:00am 10:00am 11:00am 12:00pm 1:00pm 4:00pm 6:00pm	Production call Tables and Chairs Set in place Duet Rehearsal Motor City Glee walk through Lunch Break Narrator Rehearsal Done for day	JL	
	Greater Grand Rapids LinkedIn Business Groups Invitational	RO AB pre-function RO AB, Pre-function River Overlook AB RO AB, Pre-function	2:00-3:00 p.m 2:00-3:00 p.m 5:15 p.m 5:00- 10:00 p.m 10:30 p.m	Client arrival Room set-up Guest Arrival Reception Client departure	INTERN	EST. ATTENDANCE 200
WED. JUNE 8	GVSU ENRICHMENT DINNER	Ballroom A-D	8:00am 10:00am 11:00am 2:00pm 2:30pm 3:00pm 4:00pm 4:30pm 5:15pm 6:00pm 7:00pm-9:00pm 9:00pm-11:00pm 9:00pm	Production Call Rehearsal Rehearsal Rehearsal Rehearsal Amway to Set Tables Jazz Ensemble set up Sound Checks Early guest Arrival Reception Doors to Ballroom Program and Dinner After Glow Reception Production Load Out	JL	EST. ATTENDANCE 1,600
THURS. JUNE 9	JERRY SEINFELD	DVPH	3PM-7PM 7:00PM-8:30PM 8:30P-10P	MOVE IN PERFORMANCE MOVE OUT	AK	
FRI. JUNE 10	CITY MANAGERS MEETING	GG A	8:00AM-12:00PM	MEETING	RC	
SAT. JUNE 11	DARK					
SUN. JUNE 12	ECONOMIC CLUB OF GRAND RAPIDS ANNUAL DINNER	BALL ABCD	8:00AM-11:59PM	SETUP	JL	

G A-F = Grand Gallery Meeting Rooms A-F
GG = Grand Gallery Area
RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H
MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C
DV = DeVos Performance Hall
BALL A-D = Ballroom A-D

DEVOSPLACE

REVISED WEEKLY - 2011

MON. JUNE 13	ECONOMIC CLUB OF GRAND RAPIDS ANNUAL DINNER	BALL ABCD CHASE GG A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	DINNER RECEPTION AREA RECEPTION AREA	JL	
TUES. JUNE 14	ACTON INSTITUTE	BALL CD BALL PRE-FUNC BUS. CNTR CHASE BRDRM SECCHIA LOBBY GG A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	DINNER/LECTURE EXHIBIT OFFICE STORAGE MEETING SPACE RECEPTION DINNER	RC	
WED. JUNE 15	ACTON INSTITUTE	BALL CD/PRE BUS. CNTR CHASE BRDRM GG A-F GGO AB GGO CD GGO EF GGO GH SECCHIA LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEALS/SESSIONS OFFICE/STORAGE MEETING SPACE BREAKOUT ROOMS BREAKOUT ROOMS BREAKOUT ROOMS BREAKOUT ROOMS REGISTRATION	RC	
THURS. JUNE 16	ACTON INSTITUTE	BALL CD BUS. CNTR CHASE BRDRM GG A-F GGO AB GGO CD GGO EF GGO GH SECCHIA LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEALS/SESSIONS OFFICE/STORAGE MEETING SPACE BREAKOUT ROOMS BREAKOUT ROOMS BREAKOUT ROOMS BREAKOUT ROOMS REGISTRATION	RC	
FRI. JUNE 17	ACTON INSTITUTE	BALL A BALL B BALL CD BUS. CNTR CHASE BRDRM GG A-F GGO AB GGO CD GGO EF GGO GH SECCHIA LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING SPACE MEETING SPACE MEALS/SESSIONS OFFICE/STORAGE MEETING SPACE BREAKOUT ROOMS BREAKOUT ROOMS BREAKOUT ROOMS BREAKOUT ROOMS REGISTRATION	RC	
	DEMOLEY INTERNATIONAL	BALL A BALL B	8:00AM-11:59PM 8:00AM-11:59PM	MEETING SET UP	INTERN	

G A-F = Grand Gallery Meeting Rooms A-F
GG = Grand Gallery Area
RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H
MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C
DV = DeVos Performance Hall
BALL A-D = Ballroom A-D

DEVOSPLACE

REVISED WEEKLY - 2011

SAT. JUNE 18	NEW TECH NEW SCHOOLS	BUS. CNTR GGO H. BALL A	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SET UP MEETING SPACE GENERAL SESSION	DA JD
SUN. JUNE 19	NEW TECH NEW SCHOOLS	BALL A BALL B BUS. CNTR. CHASE BRDM GG A-F GGO A-H, RO-A-F EH C	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SETUP CONFERENCE SET UP SET UP SET UP SET UP ART CRAFT SET UP	DA JL AK
	SPARTAN STORES CENTER STORE-GROCERY SHOW	DVPH/LYON DOCK	TBD	POSSIBLE PRE RIG	AK
MON. JUNE 20	SPARTAN STORES CENTER STORE-GROCERY SHOW	EH C EH C STORAGE EH C PRE-FUNC	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SET UP SET UP SET UP	JL
	NEW TECH NEW SCHOOLS	BALL A BALL B BUS. CNTR. CHASE BRDM GG A-F GGO A-H MON A-D RO-A-F DVPH/LYON DOCK	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8AM - 10PM	BREAKOUT ROOM GENERAL SESSION BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM MOVE IN	DA AK
	BROADWAY GR. SHREK				
TUES. JUNE 21	SPARTAN STORES CENTER STORE-GROCERY SHOW	EH C EH C -PRE EH C	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SET UP REGISTRATION STORAGE	JL
	NEW TECH NEW SCHOOLS	BALL A BALL B BUS. CNTR. CHASE BRDM GG A-F GGO A-H MON A-D RO-A-F DVPH/LYON DOCK RECITAL HALL DVPH	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 10A-2P 8A-6P 7:30P-10P	BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM MOVE IN MUSIC REHEARSAL PERFORMANCE	DA AK
	BROADWAY GR. SHREK				

G A-F = Grand Gallery Meeting Rooms A-F
 GG = Grand Gallery Area
 RO A-F = River Overlook A-F
 O A-H = Overlook Meeting Rooms A-H
 MON A-D = Monroe Meeting Rooms
 EH A-C = Exhibit Halls A-C
 DV = DeVos Performance Hall
 BALL A-D = Ballroom A-D

DEVOSPLACE

REVISED WEEKLY – 2011

WED. JUNE 22	MI. FROZEN FOOD PACKERS ASSOC	MON A MONROE BCD	8:00AM-11:59PM 8:00AM-11:59PM	MEETING SPACE RECEPTION AREA	JD	
	NEW TECH NEW SCHOOLS	BALL A BALL B BUS. CNTR. CHASE BRDM GG A-F GGO A-H MON A-D RO-A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	BREAKOUT ROOM GENERAL SESSION BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM	DA	
	SPARTAN STORES CENTER STORE-GROCERY SHOW	EH C EH C STORAGE EH C-PRE BALL CD DVPH	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 7:30P-10P	SET UP STORAGE REGISTRATION EXHIBIT PERFORMANCE	JL	
	BROADWAY GR. SHREK				AK	
THURS. JUNE 23	CHERRY INDUSTRY ADMIN. BOARD	MON A MON BCD	8:00AM-11:59PM 8:00AM-11:59PM	MEETING SPACE LUNCH	JD	
	SPARTAN STORES CENTER STORE-GROCERY SHOW	EH C EH C EH C-PRE BALL CD DVPH	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 7:30P-10P	SET UP STORAGE REGISTRATION BREAKFAST PERFORMANCE	JL	
	BROADWAY GR. SHREK				AK	
FRI. JUNE 24	NEW TECH NEW SCHOOLS	BALL A BALL B BUS. CNTR. CHASE BRDM GG A-F GGO A-H MON A-D RO-A-F DVP KITCHEN DVPH	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8PM – 10:30PM	BREAKOUT ROOM GENERAL SESSION BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM KOSHERIZATION PERFORMANCE	DA	
	DVP KITCHEN STAFF					
	BROADWAY GR. SHREK				AK	
SAT. JUNE 25	ALPHA KAPPA ALPHA SORORITY ANNUAL RETREAT	CHASE BRDM DVP KITCHEN DVPH	8:00AM-11:59PM 8:00AM-11:59PM 2PM – 4:30PM 8PM – 10:30PM	MEETING SPACE KOSHERIZATION PERFORMANCE PERFORMANCE	JD	
	DVP KITCHEN STAFF					
	BROADWAY GR. SHREK				AK	

G A-F = Grand Gallery Meeting Rooms A-F
 GG = Grand Gallery Area
 RO A-F = River Overlook A-F
 O A-H = Overlook Meeting Rooms A-H
 MON A-D = Monroe Meeting Rooms
 EH A-C = Exhibit Halls A-C
 DV = DeVos Performance Hall
 BALL A-D = Ballroom A-D

DEVOSPLACE

REVISED WEEKLY – 2011

SUN. JUNE 26	BROADWAY GR: <i>SHREK</i>	DVPH	1PM – 3:30PM 6:30PM – 9PM 9P-6AM	PERFORMANCE PERFORMANCE MOVE OUT	AK
	DVP KITCHEN STAFF	DVP KITCHEN	8:00AM-11:59PM	KOSHERIZATION	
MON. JUNE 27	GLOBAL TR/QA/CPR CONFERENCE	BALL C BALL D GG E GGF	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING/MEALS MEETING/MEALS BREAKOUT ROOMS BREAKOUT ROOMS	DA
	DVP KITCHEN STAFF	DVP KITCHEN	8:00AM-11:59PM	KOSHERIZATION	

G A-F = Grand Gallery Meeting Rooms A-F
GG = Grand Gallery Area
RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H
MON A-D = Monroe Meeting Rooms

EH A-C = Exhibit Halls A-C
DV = DeVos Performance Hall
BALL A-D = Ballroom A-D