

# Agenda

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## Joint Meeting of Board of Directors & Committees

**Friday | June 3, 2016**

**7:30 a.m.**

**DeVos Place® | River Overlook AB  
303 Monroe, NW | Grand Rapids | MI**

- |     |                                                                   |                |
|-----|-------------------------------------------------------------------|----------------|
| 1.  | Call to Order                                                     | Steve Heacock  |
| 2.  | Minutes of May 6, 2016                                            | Action         |
| 3.  | Broadway Grand Rapids Update                                      | Mike Lloyd     |
| 4.  | State of the CAA Address                                          | Steve Heacock  |
| 5.  | Committee Reports                                                 |                |
|     | A. Operations Committee                                           |                |
|     | i. Recognition of Jim Watt's Service to CAA Venues                | Lew Chamberlin |
|     | ii. Experience Grand Rapids Report                                | Tom Bennett    |
|     | B. Finance Committee                                              |                |
|     | i. Acceptance of April 2016 Consolidated Financial Statements     | Action         |
|     | ii. SMG – April 2016 Van Andel Arena® and DeVos Place® Financials | Information    |
| 6.  | FY 2017 Budgets                                                   | Action         |
|     | A. Consolidated CAA Budgets                                       |                |
|     | B. DeVos Place® and Van Andel Arena® Operating/Capital Budgets    |                |
| 7.  | DeVos Place® Rate Sheets: 2017-2021                               | Action         |
| 8.  | SMG Report and Facilities Calendars                               | Rich MacKeigan |
| 9.  | Public Comment                                                    |                |
| 10. | Adjournment                                                       |                |

**Next CAA Meeting Date: Friday, August 5, 2016**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
MEETING OF BOARD OF DIRECTORS  
Friday, May 6, 2016**

Attendance

Members Present: Rosalynn Bliss  
Lew Chamberlin  
Birgit Klohs  
Charlie Secchia  
Richard Winn

Members Absent: Steve Heacock  
Floyd Wilson, Jr.

Staff/Others:	Tom Bennett	Experience Grand Rapids
	Daryl Delabbio	Kent County
	Scott Gorsline	DP Fox
	Tim Gortsema	Grand Rapids Griffins
	Jim Harger	<i>MLive/The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Jim Watt	SMG
	Rod Weeber	SMG
	Richard Wendt	Dickinson Wright
	Robert White	CAA

**1. Call to Order**

Birgit Klohs, Vice Chair, called the meeting to order at 8:30 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes. Agenda item 9, Area #2 Parking Rates, was removed from the agenda.

**2. Reappointment of Member**

Pamela Vankeuren, Executive Assistant to the Kent County Board of Commissioners, performed the oath of office to Charlie Secchia, who was reappointed by Governor Rick Snyder, for a term expiring February 20, 2020.

**3. Minutes of Prior Meetings**

*Motion by Mr. Chamberlin, support by Mr. Winn, to approve the April 1, 2016, Minutes. Motion carried.*

**4. Committee Reports**

**A. Operations Committee**

Mr. Bennett provided an overview of the CVB's recent sales activities, marketing efforts, and major bid presentations. Mr. Bennett reviewed the Smith Travel Research numbers through April, 2016. Although April was a soft booking month (two bookings), it proved to be busy with sales activity. Staff attended

sales conferences in Chicago and Indiana. Staff hosted several site visits and DeVos Place® will be hosting the Customer Advisory Board meetings.

**B. Finance Committee**

- i. Acceptance of March 2016 Consolidated Financial Statements

*Motion: Mr. Winn, supported by Mr. Chamberlin, moved to accept the March 2016 Consolidated Financial Statements. Motion carried.*

- ii. SMG March 2016 Van Andel Arena® and DeVos Place® Financial Statements

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

**5. Preliminary Review of FY 2017 Budgets**

**A. Consolidated CAA Budgets**

The budgets were reviewed by the Finance Committee and there was nothing further to add.

**B. DeVos Place® and Van Andel Arena® Operating/Capital Budgets**

The budgets were reviewed at the Finance Committee meeting and there was nothing further to add.

CAA members should contact Rich MacKeigan, Chris Machuta, or Bob White if they have questions or comments.

**6. Preliminary Review of FY 2017-FY 2021 DeVos Place® Rate Sheets**

This item was reviewed by the Finance Committee and there was nothing additional to include.

**7. Extension of Financial Services Employment Agreement**

Mr. MacKeigan recommended a one-year extension of the current financial services agreement with Robert White for enhanced financing, budgeting, and related services, on the same terms and conditions. The current agreement will terminate June 30, 2016 and sets compensation at the rate of \$125 per hour for services not to exceed 200 hours annually.

*Motion by Mr. Winn, support by Ms. Bliss, to approve a one-year extension of the financial services employment agreement with Robert J. White, on the same terms and conditions. Motion carried.*

**8. FY 2016 Audit Recommendation**

SMG has been utilizing the services of Deloitte to produce annual special purpose financial statements, and the CAA has been utilizing BDO to conduct its annual audit. Both CAA and SMG staff recognized the utilization of two different auditors produced some duplication of effort. A joint request for proposals to conduct the FY 2016-2018 audit was issued and five responses were received. Mr. White recommended approval to designate Rehmann as the auditor for the 2016 Grand Rapids-Kent County Convention/Arena Authority financial statements and the 2016 SMG Special Purpose Financial

Statements. The estimated savings would be in excess of \$20,000/year. SMG retains the right to review this recommendation, going forward, on an annual basis.

*Motion by Mr. Chamberlin, support by Ms. Bliss, to approve Rehmann as the auditor for the 2016 Grand Rapids-Kent County Convention/Arena Authority financial statements and the 2016 SMG Special Purpose Financial Statements. Motion carried.*

## **9. SMG Report and Facilities Calendars**

Mr. MacKeigan provided a summary of upcoming events that will be held at DeVos Place® and the Van Andel Arena®. Mr. MacKeigan added that the three-legged stool (SMG, CVB, and Hotel) meets monthly to fill potential holes in the calendar.

## **10. Public Comment**

Ms. Klohs congratulated Jim Watt on his retirement and stated that the CAA would miss him. The CAA appreciated his candor and expertise.

## **11. Adjournment**

The meeting adjourned at 8:50 a.m.

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Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County  
Convention/Arena Authority  
Consolidated Financial Report  
April 30, 2016**

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**Financial Dashboard  
Year-To-Date (10 Months)  
FY2016  
April 30, 2016**

<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>	91	94	99	18	19	20
<b>Attendance</b>	551,854	530,000	589,616	158,296	163,500	156,998
<b>Event Income</b>	\$ 2,816,795	\$ 2,732,898	\$ 3,037,952	\$ 1,651,997	\$ 1,531,536	\$ 1,607,970
<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>	428	377	401	112	93	104
<b>Attendance</b>	509,553	412,346	527,747	97,675	93,000	111,636
<b>Event Income</b>	\$ 5,036,468	\$ 5,015,131	\$ 5,354,546	\$ 1,633,265	\$ 1,933,842	\$ 1,880,362
				<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
<b>Operating Income (Loss)</b>				\$ 1,625,274	\$ 769,305	\$ 1,956,982
<b>Capital/Repair/Replacement</b>				(590,660)	(2,337,999)	(2,021,811)
<b>Net - To/(From) on Fund Balance</b>				\$ 1,034,614	\$ (1,568,694)	\$ (64,829)

\*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 - 4/30 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	\$ 4,981,656	\$ 913,705	\$ 5,895,361	\$ 5,073,448	\$ 5,789,536
- Expenses - Facilities	(3,512,729)	(708,881)	(4,221,610)	(4,122,352)	(4,077,497)
- Base Management Fees	(143,285)	(28,657)	(171,942)	(176,065)	(171,770)
- Incentive Fee	-	(103,255)	(103,255)	(5,552)	(109,538)
Net Operating Income (Loss)	1,325,642	72,912	1,398,554	769,479	1,430,731
Parking	149,700	47,652	197,352	160,084	162,279
Pedestrian Safety	(67,494)	(22,663)	(90,157)	(108,000)	(92,151)
<b>Net Proceeds (Cost) of VAA</b>	<b>1,407,848</b>	<b>97,901</b>	<b>1,505,749</b>	<b>821,563</b>	<b>1,500,859</b>
<b>DeVos Place Convention Center</b>					
Operating - Revenues	5,382,828	1,037,225	6,420,053	5,913,710	6,086,652
- Expenses - Facilities	(4,878,425)	(1,048,594)	(5,927,019)	(5,742,406)	(5,888,576)
- Base Management Fees	(143,285)	(28,657)	(171,942)	(176,065)	(171,770)
- Incentive Fee	-	(240,629)	(240,629)	(346,578)	(234,002)
Net Operating Income (Loss)	361,118	(280,655)	80,463	(351,339)	(207,696)
Parking	764,596	232,041	996,637	915,239	933,496
Pedestrian Safety	(43,064)	(10,859)	(53,923)	(66,000)	(51,417)
<b>Net Proceeds (Cost) of DVP</b>	<b>1,082,650</b>	<b>(59,473)</b>	<b>1,023,177</b>	<b>497,900</b>	<b>674,383</b>
<b>Other</b>					
Revenues	<b>138,762</b>	<b>146,130</b>	<b>284,892</b>	<b>185,000</b>	<b>374,174</b>
Expenses	(672,278)	(340,471)	(1,012,749)	(966,450) <sup>(1)</sup>	(683,237)
Net Other	(533,516)	(194,341)	(727,857)	(781,450)	(309,063)
		-			
<b>Total Net Proceeds/Operating</b>	<b>1,956,982</b>	<b>(155,913)</b>	<b>1,801,069</b>	<b>538,013</b>	<b>1,866,179</b>
Capital Expenditures	(2,021,811)	(436,001)	(2,457,812)	(2,774,000) <sup>(1)</sup>	(1,129,943)
<b>Results Net of Capital Expenditures</b>	<b>\$ (64,829)</b>	<b>\$ (591,914)</b>	<b>\$ (656,743)</b>	<b>\$ (2,235,987)</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, and additional \$4,000 approved 3/4/16 for the CIG.

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

	<u>Annual</u>			<u>Year-To-Date</u>		
	<u>FY 2015 Final</u>	<u>FY 2016 Budget</u>	<u>Percentage Change</u>	<u>FY 2015 7/1 - 4/30</u>	<u>FY 2016 7/1 - 4/30</u>	<u>Percentage Change</u>
<b>Van Andel Arena</b>						
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	(12.4)	\$ 4,673,086	\$ 4,981,656	6.6
- Expenses - Facilities	(4,077,497)	(4,122,352)	(1.1)	(3,323,458)	(3,512,729)	(5.7)
- Base Management Fees	(171,770)	(176,065)	(2.5)	(143,142)	(143,285)	(0.1)
- Incentive Fee	(109,538)	(5,552)	94.9	-	-	-
Net Operating Income (Loss)	1,430,731	769,479	(46.2)	1,206,486	1,325,642	9.9
Parking	162,279	160,084	(1.4)	131,439	149,700	13.9
Pedestrian Safety	(92,151)	(108,000)	(17.2)	(76,364)	(67,494)	11.6
<b>Net Proceeds (Cost) of VAA</b>	<b>1,500,859</b>	<b>821,563</b>	<b>(45.3)</b>	<b>1,261,561</b>	<b>1,407,848</b>	<b>11.6</b>
<b>DeVos Place Convention Center</b>						
Operating - Revenues	6,086,652	5,913,710	(2.8)	5,060,968	5,382,828	6.4
- Expenses - Facilities	(5,888,576)	(5,742,406)	2.5	(4,857,006)	(4,878,425)	(0.4)
- Base Management Fees	(171,770)	(176,065)	(2.5)	(143,142)	(143,285)	(0.1)
- Incentive Fee	(234,002)	(346,578)	(48.1)	-	-	-
Net Operating Loss	(207,696)	(351,339)	(69.2)	60,820	361,118	493.7
Parking	933,496	915,239	(2.0)	705,687	764,596	8.3
Pedestrian Safety	(51,417)	(66,000)	(28.4)	(43,544)	(43,064)	1.1
<b>Net Proceeds (Cost) of DVP</b>	<b>674,383</b>	<b>497,900</b>	<b>(26.2)</b>	<b>722,963</b>	<b>1,082,650</b>	<b>49.8</b>
<b>Other</b>						
Revenues	374,174	185,000	(50.6)	168,178	138,762	(17.5)
Expenses	(683,237)	(966,450)	(41.5)	(527,428)	(672,278)	(27.5)
Net Other	(309,063)	(781,450)	(152.8)	(359,250)	(533,516)	(48.5)
<b>Total Net Proceeds/Operating</b>	<b>1,866,179</b>	<b>538,013</b>		<b>1,625,274</b>	<b>1,956,982</b>	<b>20.4</b>
Capital/Repair Expenditures	(1,129,943)	(2,774,000)		(590,660)	(2,021,811)	
<b>Results Net of Capital Expenditures</b>	<b>\$ 736,236</b>	<b>\$ (2,235,987)</b>		<b>\$ 1,034,614</b>	<b>\$ (64,829)</b>	



## Significant Notes

### Van Andel Arena®

- Page 1 - Twenty concerts generated \$1,607,970 in event revenue, a decrease of (2.7%) from prior year (18 concerts) of \$1,651,997.
- Page 3 - Net proceeds, of \$1,407,848, increased by +11.6% from prior year of \$1,261,561.

### DeVos Place®

- Page 1 - Convention/trade show business generated \$1,880,362 in event revenue, an increase of 15.1% over prior year (attendance up from 97,675 to 111,636) of \$1,633,265.
- Page 3 - Net "proceeds," of \$1,082,650, improved by 49.8% over prior year "proceeds" of \$722,963.

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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	99	14	113	98	15
ATTENDANCE	589,616	105,100	694,716	563,000	131,716
DIRECT EVENT INCOME	1,148,926	23,677	1,172,603	1,169,825	2,778
ANCILLARY INCOME	1,383,038	338,028	1,721,066	1,338,243	382,823
OTHER EVENT INCOME	505,988	109,000	614,988	522,590	92,398
<b>TOTAL EVENT INCOME</b>	<b>3,037,952</b>	<b>470,705</b>	<b>3,508,657</b>	<b>3,030,658</b>	<b>477,999</b>
TOTAL OTHER INCOME	1,943,704	443,000	2,386,704	2,042,790	343,914
<b>TOTAL INCOME</b>	<b>4,981,656</b>	<b>913,705</b>	<b>5,895,361</b>	<b>5,073,448</b>	<b>821,913</b>
INDIRECT EXPENSES					
EXECUTIVE	171,576	23,294	194,870	207,761	12,891
FINANCE	179,607	33,321	212,928	237,778	24,850
MARKETING	267,739	27,261	295,000	331,989	36,989
OPERATIONS	1,567,730	358,164	1,925,894	1,770,356	(155,538)
BOX OFFICE	122,822	18,673	141,495	151,243	9,748
LUXURY SEATING	36,848	16,545	53,393	98,799	45,406
SKYWALK ADMIN	43,369	4,895	48,264	51,660	3,396
OVERHEAD	1,266,321	255,387	1,521,708	1,448,831	(72,877)
<b>TOTAL INDIRECT EXP.</b>	<b>3,656,010</b>	<b>737,540</b>	<b>4,393,552</b>	<b>4,298,417</b>	<b>(95,135)</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>1,325,646</b>	<b>176,165</b>	<b>1,501,809</b>	<b>775,031</b>	<b>726,778</b>
LESS INCENTIVE FEE		103,255	103,255	5,552	(97,703)
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>1,325,646</b>	<b>72,910</b>	<b>1,398,554</b>	<b>769,479</b>	<b>629,075</b>

Comments:

The Arena had successful April with better than expected selling Chicago/Earth Wind and Fire and Outcry as well as the Marvel event.

\_\_\_\_\_  
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>	April Actual	April Budget	April FY 2015
Number of Events	17	15	11
Attendance	91,554	80,500	73,896
Direct Event Income	\$193,010	\$165,265	\$82,199
Ancillary Income	162,837	121,590	120,440
Other Event Income	49,828	22,110	21,539
Other Operating Income	187,721	158,435	155,480
Indirect Expenses	(407,754)	(358,200)	(346,617)
Net Income	<u>\$185,642</u>	<u>\$109,200</u>	<u>\$33,041</u>

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	99	94	91
Attendance	589,616	530,000	551,854
Direct Event Income	\$1,148,926	\$1,065,525	\$945,942
Ancillary Income	1,383,038	1,203,003	1,338,261
Other Event Income	505,988	464,370	532,592
Other Operating Income	1,943,704	1,711,009	1,856,291
Indirect Expenses	(3,656,014)	(3,582,000)	(3,466,600)
Net Income	<u>\$1,325,642</u>	<u>\$861,907</u>	<u>\$1,206,486</u>

**EVENT INCOME**

Event income came in ahead of budget due to the Griffins playoff game and the previously unbudgeted GRCC commencement held.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget as per caps on Griffins games and the Chicago/EWF concerts were very strong.

**INDIRECT EXPENSES**

Indirect expenses came in a little higher than budget and are trending to finish the fiscal year above original budget and prior year overall.

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

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	401	67	468	467	1
ATTENDANCE	527,567	75,255	602,822	482,600	120,222
<b>DIRECT EVENT INCOME</b>	<b>2,849,637</b>	<b>409,503</b>	<b>3,259,140</b>	<b>2,939,400</b>	<b>319,740</b>
<b>ANCILLARY INCOME</b>	<b>2,091,279</b>	<b>524,259</b>	<b>2,615,538</b>	<b>2,639,860</b>	<b>(24,322)</b>
<b>OTHER EVENT INCOME</b>	<b>413,630</b>	<b>97,250</b>	<b>510,880</b>	<b>302,450</b>	<b>208,430</b>
<b>TOTAL EVENT REVENUE</b>	<b>5,354,546</b>	<b>1,031,012</b>	<b>6,385,558</b>	<b>5,881,710</b>	<b>503,848</b>
<b>TOTAL OTHER REVENUE</b>	<b>28,282</b>	<b>6,213</b>	<b>34,495</b>	<b>32,000</b>	<b>2,495</b>
<b>TOTAL OPERATING REVENUE</b>	<b>5,382,828</b>	<b>1,037,225</b>	<b>6,420,053</b>	<b>5,913,710</b>	<b>506,343</b>
<b>INDIRECT EXPENSES</b>					
<b>EXECUTIVE</b>	171,277	29,094	200,371	203,461	3,090
<b>FINANCE</b>	219,447	39,878	259,325	259,654	329
<b>MARKETING</b>	114,146	26,452	140,598	126,596	(14,002)
<b>OPERATIONS</b>	1,316,964	300,730	1,617,694	1,541,029	(76,665)
<b>EVENT SERVICES</b>	871,547	222,694	1,094,241	1,096,667	2,426
<b>BOX OFFICE</b>	112,840	19,201	132,041	91,932	(40,109)
<b>SALES</b>	321,801	56,871	378,672	402,048	23,376
<b>OVERHEAD</b>	1,893,686	382,333	2,276,019	2,197,084	(78,935)
<b>TOTAL OPERATING EXP.</b>	<b>5,021,710</b>	<b>1,077,253</b>	<b>6,098,961</b>	<b>5,918,471</b>	<b>(180,490)</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>361,118</b>	<b>(40,028)</b>	<b>321,092</b>	<b>(4,761)</b>	<b>325,853</b>
<b>INCENTIVE FEE</b>		240,629	240,629	346,578	105,949
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>361,118</b>	<b>(280,657)</b>	<b>80,463</b>	<b>(351,339)</b>	<b>431,802</b>

Comments:

DeVos Place continues a strong fiscal year with April exceeding both budget and forecast on the strength of a strong Theater calendar with 7 concerts hosted during the month. Expenses continue to come in at expected levels and the final two months of the year should be very solid with Phantom of the Opera and Book of Mormon, as well as, a couple of strong conventions.

\_\_\_\_\_  
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>	April Actual	April Budget	April FY 2015
Number of Events	59	43	35
Attendance	51,914	34,269	34,168
Direct Event Income	\$297,351	\$213,596	\$208,599
Ancillary Income	289,373	205,322	158,712
Other Event Income	72,968	39,328	43,950
Other Operating Income	2,049	2,666	1,020
Indirect Expenses	(557,341)	(493,206)	(456,265)
Net Income	\$104,400	(\$32,294)	(\$43,983)

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	401	377	428
Attendance	527,567	412,346	509,553
Direct Event Income	\$2,849,637	\$2,549,066	\$2,711,455
Ancillary Income	2,091,279	2,240,005	1,955,359
Other Event Income	413,630	226,060	369,654
Other Operating Income	28,282	26,660	24,500
Indirect Expenses	(5,021,710)	(4,932,060)	(5,000,148)
Net Income	\$361,118	\$109,731	\$60,820

**EVENT INCOME**

Direct event income came in higher than budget and forecast based on a strong month for the performance hall with 7 concerts hosted during the month in addition to strong weeks from Broadway, Symphony, and Opera.

**ANCILLARY INCOME**

Ancillary income came in ahead of expectations as spending on Catering and Decorating were much stronger than anticipated.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, consistent with forecast and still trending very consistent with both budget and prior year overall.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative Accounts**  
**Net Other Detail**  
**April 30, 2016**

	<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>7/1-4/30</u>	<u>FY 2016</u> <u>7/1-4/30</u>	<u>Percentage</u> <u>Change</u>
Other						
Revenues						
Interest/Capital Contr.	\$ 143,959	\$ 150,000	4.2	\$ 69,176	\$ 84,307	21.9
Miscellaneous	230,217	35,000	(84.8)	99,002	54,455	(45.0)
	<u>374,176</u>	<u>185,000</u>	<u>(50.6)</u>	<u>168,178</u>	<u>138,762</u>	<u>(17.5)</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	125,000	125,000	-
Diversity Initiative	46,688	129,000	176.3	29,414	109,642	272.8
Wages/Benefits	128,373	122,605	(4.5)	87,746	91,261	4.0
Marketing Campaign	62,711	100,000	59.5	-	-	-
Professional Services	67,779	68,000	0.3	45,016	36,875	(18.1)
DID Assessment	39,720	40,500	2.0	39,720	53,269	34.1
Food & Beverage Repairs	-	40,000	100.0+	-	46,890	+100.0
Consulting Services	138,973	197,345	42.0	120,779	124,881	3.4
Landscaping	38,920	30,000	(22.9)	34,149	19,514	(42.9)
Procurement of Art	25,162	30,000	19.2	10,832	29,009	167.8
Insurance	13,513	24,000	77.6	22,879	21,861	(4.4)
Supplies/Other	16,024	60,000	274.4	11,893	14,076	18.4
	<u>702,863</u>	<u>966,450</u>	<u>36.9</u>	<u>527,428</u>	<u>672,278</u>	<u>27.5</u>
Net Proceeds - Operating	<u>\$ (328,687)</u>	<u>\$ (781,450)</u>	<u>(136.5)</u>	<u>\$ (359,250)</u>	<u>\$ (533,516)</u>	<u>(48.5)</u>

# DEVOS PLACE

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED APRIL 30, 2016

Distribution:

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



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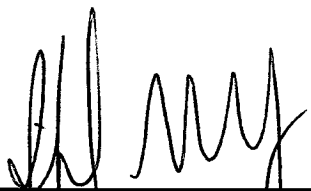
*An SMG Managed Facility*

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

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	401	67	468	467	1
ATTENDANCE	527,567	75,255	602,822	482,600	120,222
<b>DIRECT EVENT INCOME</b>	2,849,637	409,503	3,259,140	2,939,400	319,740
ANCILLARY INCOME	2,091,279	524,259	2,615,538	2,639,860	(24,322)
OTHER EVENT INCOME	413,630	97,250	510,880	302,450	208,430
<b>TOTAL EVENT REVENUE</b>	5,354,546	1,031,012	6,385,558	5,881,710	503,848
<b>TOTAL OTHER REVENUE</b>	28,282	6,213	34,495	32,000	2,495
<b>TOTAL OPERATING REVENUE</b>	5,382,828	1,037,225	6,420,053	5,913,710	506,343
<b>INDIRECT EXPENSES</b>					
EXECUTIVE	171,277	29,094	200,371	203,461	3,090
FINANCE	219,447	39,878	259,325	259,654	329
MARKETING	114,146	26,452	140,598	126,596	(14,002)
OPERATIONS	1,316,964	300,730	1,617,694	1,541,029	(76,665)
EVENT SERVICES	871,547	222,694	1,094,241	1,096,667	2,426
BOX OFFICE	112,840	19,201	132,041	91,932	(40,109)
SALES	321,801	56,871	378,672	402,048	23,376
OVERHEAD	1,893,686	382,333	2,276,019	2,197,084	(78,935)
<b>TOTAL OPERATING EXP.</b>	5,021,710	1,077,253	6,098,961	5,918,471	(180,490)
<b>NET REVENUE ABOVE EXPENSES</b>	<b>361,118</b>	<b>(40,028)</b>	<b>321,092</b>	<b>(4,761)</b>	<b>325,853</b>
INCENTIVE FEE		240,629	240,629	346,578	105,949
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>361,118</b>	<b>(280,657)</b>	<b>80,463</b>	<b>(351,339)</b>	<b>431,802</b>

Comments:

DeVos Place continues a strong fiscal year with April exceeding both budget and forecast on the strength of a strong Theater calendar with 7 concerts hosted during the month. Expenses continue to come in at expected levels and the final two months of the year should be very solid with Phantom of the Opera and Book of Mormon, as well as, a couple of strong conventions.

  
 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>	<b>April Actual</b>	<b>April Budget</b>	<b>April FY 2015</b>
Number of Events	59	43	35
Attendance	51,914	34,269	34,168
Direct Event Income	\$297,351	\$213,596	\$208,599
Ancillary Income	289,373	205,322	158,712
Other Event Income	72,968	39,328	43,950
Other Operating Income	2,049	2,666	1,020
Indirect Expenses	(557,341)	(493,206)	(456,265)
Net Income	\$104,400	(\$32,294)	(\$43,983)

<b>YTD</b>	<b>YTD 2016 Actual</b>	<b>YTD 2016 Budget</b>	<b>YTD 2015 Prior Year</b>
Number of Events	401	377	428
Attendance	527,567	412,346	509,553
Direct Event Income	\$2,849,637	\$2,549,066	\$2,711,455
Ancillary Income	2,091,279	2,240,005	1,955,359
Other Event Income	413,630	226,060	369,654
Other Operating Income	28,282	26,660	24,500
Indirect Expenses	(5,021,710)	(4,932,060)	(5,000,148)
Net Income	\$361,118	\$109,731	\$60,820

**EVENT INCOME**

Direct event income came in higher than budget and forecast based on a strong month for the performance hall with 7 concerts hosted during the month in addition to strong weeks from Broadway, Symphony, and Opera.

**ANCILLARY INCOME**

Ancillary income came in ahead of expectations as spending on Catering and Decorating were much stronger than anticipated.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, consistent with forecast and still trending very consistent with both budget and prior year overall.

**DeVos Place**  
**Income Statement**  
**For the Ten Months Ending April 30, 2016**

	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	\$327,758	\$212,800	\$114,958	\$232,806	\$3,095,531	\$2,638,500	\$457,031	\$2,989,373
Service Revenue	287,835	239,087	48,748	132,652	2,333,343	1,703,046	630,297	2,074,860
Service Expenses	(318,242)	(238,291)	(79,951)	(156,859)	(2,579,237)	(1,792,480)	(786,757)	(2,352,778)
<b>Total Direct Event Income</b>	<b>297,351</b>	<b>213,596</b>	<b>83,755</b>	<b>208,599</b>	<b>2,849,637</b>	<b>2,549,066</b>	<b>300,571</b>	<b>2,711,455</b>
<b>Ancillary Income</b>								
F&B Concession	21,133	12,386	8,747	16,992	213,430	177,285	36,145	177,918
F&B Catering	120,795	87,275	33,520	44,284	604,396	728,578	(124,182)	598,294
Novelty Sales	3,304	1,726	1,578	3,461	15,927	8,865	7,062	11,958
Booth Cleaning	33,230	13,340	19,890	14,433	303,900	284,557	19,343	279,503
Telephone/Long Distance	0	0	0	0	1,275	0	1,275	1,688
Electrical Services	42,316	28,367	13,949	30,676	390,467	440,061	(49,594)	366,657
Audio Visual	38,820	34,860	3,960	27,951	275,860	333,749	(57,889)	229,996
Internet Services	9,113	6,506	2,607	5,758	112,781	101,261	11,520	103,309
Equipment Rental	20,662	20,862	(200)	15,158	173,243	165,649	7,594	186,036
<b>Total Ancillary Income</b>	<b>289,373</b>	<b>205,322</b>	<b>84,051</b>	<b>158,713</b>	<b>2,091,279</b>	<b>2,240,005</b>	<b>(148,726)</b>	<b>1,955,359</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	72,968	39,328	33,640	43,950	413,630	226,060	187,570	369,654
<b>Total Other Event Income</b>	<b>72,968</b>	<b>39,328</b>	<b>33,640</b>	<b>43,950</b>	<b>413,630</b>	<b>226,060</b>	<b>187,570</b>	<b>369,654</b>
<b>Total Event Income</b>	<b>659,692</b>	<b>458,246</b>	<b>201,446</b>	<b>411,262</b>	<b>5,354,546</b>	<b>5,015,131</b>	<b>339,415</b>	<b>5,036,468</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	1,353	1,333	20	1,199	16,010	13,330	2,680	12,709
Other Income	696	1,333	(637)	(179)	12,272	13,330	(1,058)	11,791
<b>Total Other Operating Income</b>	<b>2,049</b>	<b>2,666</b>	<b>(617)</b>	<b>1,020</b>	<b>28,282</b>	<b>26,660</b>	<b>1,622</b>	<b>24,500</b>
<b>Adjusted Gross Income</b>	<b>661,741</b>	<b>460,912</b>	<b>200,829</b>	<b>412,282</b>	<b>5,382,828</b>	<b>5,041,791</b>	<b>341,037</b>	<b>5,060,968</b>
<b>Operating Expenses</b>								
Salaries and Wages	372,159	269,834	102,325	212,053	2,712,438	2,698,340	14,098	2,578,582
Payroll Taxes and Benefits	96,585	85,238	11,347	51,142	855,131	852,380	2,751	831,950
Labor Allocations to Events	(215,311)	(154,688)	(60,623)	(96,142)	(1,567,472)	(1,546,880)	(20,592)	(1,461,819)
<b>Net Salaries and Benefits</b>	<b>253,433</b>	<b>200,384</b>	<b>53,049</b>	<b>167,053</b>	<b>2,000,097</b>	<b>2,003,840</b>	<b>(3,743)</b>	<b>1,948,713</b>
Contracted Services	24,344	20,820	3,524	31,485	282,748	208,200	74,548	266,313
General and Administrative	24,074	30,510	(6,436)	41,490	336,232	305,100	31,132	314,046
Operations	6,684	11,146	(4,462)	9,066	90,381	111,460	(21,079)	114,132
Repair and Maintenance	57,331	41,350	15,981	42,285	475,150	413,500	61,650	444,912
Operational Supplies	30,217	20,225	9,992	19,674	203,133	202,250	883	163,806
Insurance	20,115	17,616	2,499	17,120	196,025	176,160	19,865	208,024
Utilities	126,814	136,483	(9,669)	128,092	1,294,659	1,364,830	(70,171)	1,397,060
SMG Management Fees	14,329	14,672	(343)	0	143,285	146,720	(3,435)	143,142
<b>Total Operating Expenses</b>	<b>557,341</b>	<b>493,206</b>	<b>64,135</b>	<b>456,265</b>	<b>5,021,710</b>	<b>4,932,060</b>	<b>89,650</b>	<b>5,000,148</b>
<b>Net Income(Loss) From Operations</b>	<b>104,400</b>	<b>(32,294)</b>	<b>136,694</b>	<b>(43,983)</b>	<b>361,118</b>	<b>109,731</b>	<b>251,387</b>	<b>60,820</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>104,400</b>	<b>(32,294)</b>	<b>136,694</b>	<b>(43,983)</b>	<b>361,118</b>	<b>109,731</b>	<b>251,387</b>	<b>60,820</b>

3

**SMG DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Year to Date Event Summary Report  
For the Ten Months Ended April 30, 2016**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	104	93	111,636	93,000	1,880,362	1,933,842
Consumer/Gated Shows	54	51	189,915	143,739	1,283,649	1,143,762
DeVos Performance Hall	119	105	161,078	119,607	1,250,327	956,748
Banquets	25	27	20,555	17,550	217,995	274,779
Meetings	72	70	22,850	24,500	551,836	479,080
Other	27	31	21,713	13,950	170,374	226,920
<b>GRAND TOTALS</b>	<b>401</b>	<b>377</b>	<b>527,747</b>	<b>412,346</b>	<b>5,354,546</b>	<b>5,015,131</b>

As Percentage of Overall

Convention/Trade Shows	25.94%	24.67%	21.15%	22.55%	35.12%	38.56%
Consumer/Gated Shows	13.47%	13.53%	35.99%	34.86%	23.97%	22.81%
Devos Performance Hall	29.68%	27.85%	30.52%	29.01%	23.35%	19.08%
Ballroom Exclusive	6.23%	7.16%	3.89%	4.26%	4.07%	5.48%
Meetings	17.96%	18.57%	4.33%	5.94%	10.31%	9.55%
Other	6.73%	8.22%	4.11%	3.38%	3.18%	4.52%

**DeVos Place  
Balance Sheet  
As of April 30, 2016**

**ASSETS**

**Current Assets**

Cash	4,002,853
Account Receivable	938,588
Prepaid Expenses	107,893

<b>Total Current Assets</b>	<b>\$5,049,334</b>
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**Total Assets**

**\$5,049,334**

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	257,371
Accrued Expenses	533,771
Deferred Income	236,524
Advanced Ticket Sales & Deposits	3,494,230

Total Current Liabilities	<b>\$4,521,897</b>
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	(1,587,961)
Expenses Paid Direct by CAA	1,168,507
Beginning Balance Equity	585,776
Current Year Equity	361,116

Total Equity	<b>\$527,438</b>
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**Total Liabilities and Equity**

**\$5,049,334**

Cash Balance less Advance Ticket Sales	508,623
Budgeted Indirect Expenses	(356,723)
Puscifer transferred in April	
Peppa Pig transferred in April	
Net Available for Transfer	151,900

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**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of April 30, 2016**

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Current - Under 30 Days	
Food & Beverage	142,074
Ticketing	82,656
Merchandise	-
Decorating	33,230
Audio/Visual	38,820
Van Andel Arena	137,132
Operating	346,474
Over 30 Days	101,368
Over 60 Days	56,834
Over 90 Days	
Total Accounts Receivable	938,588

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

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	1,501,809	321,092	1,822,901	1,566,575
Benchmark ++			750,000	750,000
Excess	1,501,809	321,092	1,072,901	816,575
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Actual	DeVos Place Actual	Total Actual	Total Actual
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	5,895,361	6,420,053	12,315,414	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	845,361	1,970,053	2,815,414	2,476,188
Incentive Fee **	103,255	240,629	343,884	343,540
Total SMG Management Fee	275,197	412,571	687,768	687,080

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

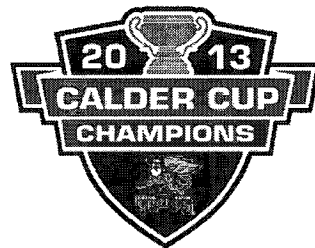
++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.



# VAN ANDEL ARENA

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED APRIL 30, 2016

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	99	14	113	98	15
ATTENDANCE	589,616	105,100	694,716	563,000	131,716
DIRECT EVENT INCOME	1,148,926	23,677	1,172,603	1,169,825	2,778
ANCILLARY INCOME	1,383,038	338,028	1,721,066	1,338,243	382,823
OTHER EVENT INCOME	505,988	109,000	614,988	522,590	92,398
<b>TOTAL EVENT INCOME</b>	<b>3,037,952</b>	<b>470,705</b>	<b>3,508,657</b>	<b>3,030,658</b>	<b>477,999</b>
TOTAL OTHER INCOME	1,943,704	443,000	2,386,704	2,042,790	343,914
<b>TOTAL INCOME</b>	<b>4,981,656</b>	<b>913,705</b>	<b>5,895,361</b>	<b>5,073,448</b>	<b>821,913</b>
INDIRECT EXPENSES					
EXECUTIVE	171,576	23,294	194,870	207,761	12,891
FINANCE	179,607	33,321	212,928	237,778	24,850
MARKETING	267,739	27,261	295,000	331,989	36,989
OPERATIONS	1,567,730	358,164	1,925,894	1,770,356	(155,538)
BOX OFFICE	122,822	18,673	141,495	151,243	9,748
LUXURY SEATING	36,848	16,545	53,393	98,799	45,406
SKYWALK ADMIN	43,369	4,895	48,264	51,660	3,396
OVERHEAD	1,266,321	255,387	1,521,708	1,448,831	(72,877)
<b>TOTAL INDIRECT EXP.</b>	<b>3,656,010</b>	<b>737,540</b>	<b>4,393,552</b>	<b>4,298,417</b>	<b>(95,135)</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>1,325,646</b>	<b>176,165</b>	<b>1,501,809</b>	<b>775,031</b>	<b>726,778</b>
LESS INCENTIVE FEE		103,255	103,255	5,552	(97,703)
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>1,325,646</b>	<b>72,910</b>	<b>1,398,554</b>	<b>769,479</b>	<b>629,075</b>

Comments:

The Arena had successful April with better than expected selling Chicago/Earth Wind and Fire and Outcry as well as the Marvel event.

  
 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>	April Actual	April Budget	April FY 2015
Number of Events	17	15	11
Attendance	91,554	80,500	73,896
Direct Event Income	\$193,010	\$165,265	\$82,199
Ancillary Income	162,837	121,590	120,440
Other Event Income	49,828	22,110	21,539
Other Operating Income	187,721	158,435	155,480
Indirect Expenses	(407,754)	(358,200)	(346,617)
Net Income	\$185,642	\$109,200	\$33,041

<b>YTD</b>	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	99	94	91
Attendance	589,616	530,000	551,854
Direct Event Income	\$1,148,926	\$1,065,525	\$945,942
Ancillary Income	1,383,038	1,203,003	1,338,261
Other Event Income	505,988	464,370	532,592
Other Operating Income	1,943,704	1,711,009	1,856,291
Indirect Expenses	(3,656,014)	(3,582,000)	(3,466,600)
Net Income	\$1,325,642	\$861,907	\$1,206,486

**EVENT INCOME**

Event income came in ahead of budget due to the Griffins playoff game and the previously unbudgeted GRCC commencement held.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget as per caps on Griffins games and the Chicago/EWF concerts were very strong.

**INDIRECT EXPENSES**

Indirect expenses came in a little higher than budget and are trending to finish the fiscal year above original budget and prior year overall.

**Van Andel Arena  
Income Statement  
For the Ten Months Ending April 30, 2016**

	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	\$282,348	\$228,307	\$54,041	\$152,695	\$1,909,980	\$1,571,899	\$338,081	\$1,482,686
Service Revenue	247,513	142,986	104,527	228,558	1,507,006	1,288,438	218,568	1,722,613
Service Expenses	(336,851)	(206,028)	(130,823)	(299,054)	(2,268,060)	(1,794,812)	(473,248)	(2,259,357)
<b>Total Direct Event Income</b>	<b>193,010</b>	<b>165,265</b>	<b>27,745</b>	<b>82,199</b>	<b>1,148,926</b>	<b>1,065,525</b>	<b>83,401</b>	<b>945,942</b>
<b>Ancillary Income</b>								
F&B Concession	141,970	113,098	28,872	100,382	1,195,241	1,074,517	120,724	1,139,425
F&B Catering	17,642	4,874	12,768	18,208	118,796	59,350	59,446	112,528
Novelty Sales	3,225	3,618	(393)	479	68,646	69,136	(490)	83,289
Booth Cleaning	0	0	0	1,335	355	0	355	2,337
Audio Visual	0	0	0	36	0	0	0	182
Other Ancillary	0	0	0	0	0	0	0	500
<b>Total Ancillary Income</b>	<b>162,837</b>	<b>121,590</b>	<b>41,247</b>	<b>120,440</b>	<b>1,383,038</b>	<b>1,203,003</b>	<b>180,035</b>	<b>1,338,261</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	49,828	22,110	27,718	21,539	505,988	464,370	41,618	532,592
<b>Total Other Event Income</b>	<b>49,828</b>	<b>22,110</b>	<b>27,718</b>	<b>21,539</b>	<b>505,988</b>	<b>464,370</b>	<b>41,618</b>	<b>532,592</b>
<b>Total Event Income</b>	<b>405,675</b>	<b>308,965</b>	<b>96,710</b>	<b>224,178</b>	<b>3,037,952</b>	<b>2,732,898</b>	<b>305,054</b>	<b>2,816,795</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	127,456	102,352	25,104	108,572	1,334,451	1,153,090	181,361	1,353,883
Advertising	56,680	52,083	4,597	42,734	554,040	520,835	33,205	446,149
Other Income	3,585	4,000	(415)	4,174	55,213	37,084	18,129	56,259
<b>Total Other Operating Income</b>	<b>187,721</b>	<b>158,435</b>	<b>29,286</b>	<b>155,480</b>	<b>1,943,704</b>	<b>1,711,009</b>	<b>232,695</b>	<b>1,856,291</b>
<b>Adjusted Gross Income</b>	<b>593,396</b>	<b>467,400</b>	<b>125,996</b>	<b>379,658</b>	<b>4,981,656</b>	<b>4,443,907</b>	<b>537,749</b>	<b>4,673,086</b>
<b>Operating Expenses</b>								
Salaries and Wages	270,098	174,009	96,089	180,702	1,863,052	1,740,090	122,962	1,911,743
Payroll Taxes and Benefits	60,858	50,789	10,069	55,898	529,572	507,890	21,682	570,852
Labor Allocations to Events	(148,656)	(69,965)	(78,691)	(107,229)	(878,237)	(699,650)	(178,587)	(1,076,610)
<b>Net Salaries and Benefits</b>	<b>182,300</b>	<b>154,833</b>	<b>27,467</b>	<b>129,371</b>	<b>1,514,387</b>	<b>1,548,330</b>	<b>(33,943)</b>	<b>1,405,985</b>
Contracted Services	23,490	20,928	2,562	18,614	207,882	209,280	(1,398)	197,083
General and Administrative	40,030	30,368	9,662	38,013	313,209	303,680	9,529	307,717
Operations	3,746	7,365	(3,619)	3,484	44,631	73,650	(29,019)	41,734
Repair and Maintenance	24,157	21,924	2,233	17,604	262,189	219,240	42,949	242,977
Operational Supplies	11,405	15,417	(4,012)	21,377	177,208	154,170	23,038	162,766
Insurance	24,363	10,830	13,533	19,767	173,994	108,300	65,694	152,706
Utilities	83,934	81,863	2,071	84,073	819,229	818,630	599	812,490
SMG Management Fees	14,329	14,672	(343)	14,314	143,285	146,720	(3,435)	143,142
<b>Total Operating Expenses</b>	<b>407,754</b>	<b>358,200</b>	<b>49,554</b>	<b>346,617</b>	<b>3,656,014</b>	<b>3,582,000</b>	<b>74,014</b>	<b>3,466,600</b>
<b>Net Income(Loss) From Operations</b>	<b>185,642</b>	<b>109,200</b>	<b>76,442</b>	<b>33,041</b>	<b>1,325,642</b>	<b>861,907</b>	<b>463,735</b>	<b>1,206,486</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>185,642</b>	<b>109,200</b>	<b>76,442</b>	<b>33,041</b>	<b>1,325,642</b>	<b>861,907</b>	<b>463,735</b>	<b>1,206,486</b>

3

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Ten Months Ended April 30, 2016**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	26	27	80,844	85,500	285,039	299,770
Sporting Event	6	6	34,176	28,000	318,027	250,912
Concert	20	19	156,998	163,500	1,607,970	1,531,536
Team Home Games	39	38	274,823	228,000	595,646	588,658
Other	8	4	42,775	25,000	231,269	62,022
<b>GRAND TOTALS</b>	<b>99</b>	<b>94</b>	<b>589,616</b>	<b>530,000</b>	<b>3,037,952</b>	<b>2,732,898</b>

As Percentage of Overall

Family Show	26.26%	28.72%	13.71%	16.13%	9.38%	10.97%
Sporting Event	6.06%	6.38%	5.80%	5.28%	10.47%	9.18%
Concert	20.20%	20.21%	26.63%	30.85%	52.93%	56.04%
Team Home Games	39.39%	40.43%	46.61%	43.02%	19.61%	21.54%
Other	8.08%	4.26%	7.25%	4.72%	7.61%	2.27%

**Van Andel Arena  
Balance Sheet  
As of April 30, 2016**

**ASSETS**

**Current Assets**

Cash	8,258,289
Account Receivable	1,649,931
Prepaid Expenses	33,071

<b>Total Current Assets</b>	\$9,941,291
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<b>Total Assets</b>	\$9,941,291
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	251,672
Accrued Expenses	703,918
Deferred Income	1,109,071
Advanced Ticket Sales & Deposits	8,802,622

Total Current Liabilities	\$10,867,284
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	(1,254,949)
Expenses Paid Direct by CAA	741,628
Beginning Balance Equity	(1,738,315)
Current Year Equity	1,325,644

Total Equity	(\$925,993)
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<b>Total Liabilities and Equity</b>	\$9,941,291
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5

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of April 30, 2016**

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Current - Under 30 Days	
Food & Beverage	244,450
Ticketing	1,440,057
Merchandise	-
Permanent Advertising	-
DeVos Place	(137,132)
Operating	47,457
Over 30 Days	32,451
Over 60 Days	22,648
Over 90 Days	
Total Accounts Receivable	1,649,931

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

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	1,501,809	321,092	1,822,901	1,566,575
Benchmark ++			750,000	750,000
Excess	1,501,809	321,092	1,072,901	816,575
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Actual	DeVos Place Actual	Total Actual	Total Actual
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	5,895,361	6,420,053	12,315,414	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	845,361	1,970,053	2,815,414	2,476,188
Incentive Fee **	103,255	240,629	343,884	343,540
Total SMG Management Fee	275,197	412,571	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.



## Memorandum

**To:** Grand Rapids – Kent County  
Convention/Arena Authority

**From:** Robert J. White

**Date:** June 1, 2016

**Re:** Convention/Arena Authority (CAA)  
FY 2017 Budget Request  
Updates to Memorandum Dated April 26, 2016

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On May 6th, the CAA Finance Committee reviewed a preliminary draft of the consolidated Fiscal Year 2017 budget request. It had forecast “estimated” revenues totaling \$12,713,331 with an operating/capital budget request of \$15,031,372. The estimated draw on fund balance amounted to \$2,318,041.

In the interim, the Fiscal Year 2017 budget recommendation has been amended in the following manner:

FY 2017 Recommendation:

- Table A - Increase SMG revenues by +\$130,405 and increase SMG expenses by (\$69,152).
- Table B - Increase Area #2 parking revenues by +\$108,178.
- Table B - Increase consulting by +\$40,000 for CAA Lyon Street design work  
- Increase diversity initiative +\$25,000.
- Table B1 - Reduce estimated capital spending by (\$799,000).

As a result of these changes, the projected operating deficit for Fiscal Year 2017 has been decreased by \$903,399 to \$1,414,642.

It is the staff recommendation to adopt the Fiscal Year 2017 budget, as originally recommended, with the modifications as noted above. This budget will take effect on July 1, 2016.

Attachments: FY 2017 Recommended Budget



## Memorandum

**To: Grand Rapids – Kent County  
Convention/Arena Authority**

**From: Robert J. White**

**AS AMENDED**

**Date: May 25, 2016**

**Re: Convention/Arena Authority (CAA)  
Fiscal Year 2017 Budget Recommendation**

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The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2016 (Fiscal Year 2017). The format of the report provides the Board with an overview of Fiscal Year 2015 actual, Fiscal Year 2016 estimate, and Fiscal Year 2017 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 \$1,479,017. Funding, requested for FY 2017, would generate a net operating income of \$504,856.

The Fiscal Year 2017 consolidated income statement (Table C) forecasts a net operating income totaling \$731,000. This income will be applied to finance, in part, a capital outlay request totaling \$2,300,000. The balance of the funds required 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 2016 activities with a "fund balance" approximating \$21.2 million. This would include a recommended minimum operating reserve balance of \$3.9 million and a capital repair/replacement/improvement reserve of \$17.3 million.



The current Table D has been included along with the original Fiscal Year 2017 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 and police-pedestrian safety services.

Richard 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:

Table A – SMG Operating Budgets (Summary)

Table B – CAA Administrative Budget

Table C – Consolidated Income Statement

Table D – Budget Summary by Facility

Table E – Ten-Year History of a Consolidated Income Statement

Table F – Fifteen-Year Projection of Fund Balance (Reserves)

**Table A**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**SMG Facilities Budget**  
**Fiscal Years Ending June 30, 2015 - 2017**

	<b>FY 2015</b>	<b>FY 2016</b>		<b>FY 2017</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Recommendation</b>
Van Andel Arena				
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	\$ 5,895,361	\$ 5,470,265
- Expenses - Facilities	(4,077,497)	(4,122,352)	(4,221,610)	(4,245,108)
- Management Fees	(171,770)	(176,065)	(171,942)	(173,833)
- <b>Incentive Fees</b>	<b>(109,538)</b>	<b>(5,552)</b>	<b>(103,255)</b>	<b>(78,018)</b>
Net Operating Income	<u>1,430,731</u>	<u>769,479</u>	<u>1,398,554</u>	<u>973,306</u>
DeVos Place				
Operating - Revenues	\$ 6,086,652	\$ 5,913,710	\$ 6,420,053	\$ 5,779,735
- Expenses - Facilities	(5,888,576)	(5,742,406)	(5,927,019)	(5,804,973)
- Management Fees	(171,770)	(176,065)	(171,942)	(173,833)
- <b>Incentive Fees</b>	<b>(234,002)</b>	<b>(346,578)</b>	<b>(240,629)</b>	<b>(269,649)</b>
Net Operating Loss	<u>\$ (207,696)</u>	<u>\$ (351,339)</u>	<u>\$ 80,463</u>	<u>\$ (468,720)</u>
Net Available to CAA:				
Van Andel Arena	\$ 1,430,731	\$ 769,479	\$ 1,398,554	\$ 973,306
DeVos Place	(207,696)	(351,339)	80,463	(468,720)
	<u><b>\$ 1,223,035</b></u>	<u><b>\$ 418,140</b></u>	<u><b>\$ 1,479,017</b></u>	<u><b>\$ 504,586</b></u>

**Table B**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative - Operating / Capital Replacement Budget**  
**FY 2015-2017**

	<u>FY2015</u>	<u>FY 2016</u>		<u>FY 2017</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:				
Facility Operations	\$ 1,223,035	\$ 418,140	\$ 1,479,017	\$ 504,586
Utility Reimbursement	2,410,976	2,480,960	2,322,443	2,415,960
Transfers from SMG	3,634,011	2,899,100	3,801,460	2,920,546
DeVos Place Parking <sup>(1)</sup>	1,102,165	1,098,900	1,187,570	1,187,570
VanAndel Parking <sup>(1)</sup>	162,279	160,084	197,352	305,530
Interest <sup>(2)</sup>	93,959	100,000	114,436	154,358
Miscellaneous <sup>(7)</sup>	280,217	85,000	170,456	54,456
Total Revenues	<u>5,272,631</u>	<u>4,343,084</u>	<u>5,471,274</u>	<u>4,622,460</u>
Expenditures:				
Utilities <sup>(4)</sup>	2,410,976	2,480,960	2,322,443	2,415,960
Other Operating <sup>(5)</sup>	394,242	527,661	506,903	622,484
Administration/Other <sup>(6)</sup>	601,232	796,450	840,859	698,659
Facility Maintenance	379,802	-	-	-
Capital	750,141	2,774,000	2,457,812	2,300,000 <sup>(3)</sup>
Total Expenditures	<u>4,536,393</u>	<u>6,579,071</u>	<u>6,128,017</u>	<u>6,037,103</u>
Net Excess (Deficit)	<u>\$ 736,238</u>	<u>\$ (2,235,987)</u>	<u>\$ (656,743)</u>	<u>\$ (1,414,643)</u>

**Notes: See Following Pages**

**Table B-1**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative - Operating / Capital Replacement Budget**  
**FY 2017 Recommendation**

**Notes:**

<sup>(1)</sup>DeVos Place Parking Rates:

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
30 Minutes	\$ 1.25	\$ 1.50	\$ 1.50	\$ 1.50
Daily Maximum	12.00	15.00	15.00	15.00
Event	8.00	9.00	9.00	9.00
Monthly -Public	152.00	154.00	154.00	154.00
-Reserved Premium	57.00	58.00	58.00	58.00
-County/SMG (O+M)	39.10	34.47	36.06	36.06

Van Andel Arena Parking Rates:

Event	\$ 9.00	\$ 9.00	\$ 9.00	\$ 12.00
Non-Event Coin Unit	5.00	5.00	5.00	10.00
Monthly -Public	75.00	76.00	76.00	112.00

ost" based rate will be calculated based on the adopted FY17 budget.

del Arena (Area #2) rate changes were adopted by the City Commission on May 24th. New rates effective 9/1/2016.

<sup>(2)</sup> \$20.6 million (3/31/16 pool balance) in invested funds at 0.75%.

<sup>(3)</sup> FY 2017 Eligible Projects:

		Project Source
Carryover Projects:		
VAA Retractable Seating	\$ 275,000	Long-Term Capital (LTC)
Lyon Street Dock Concrete	30,000	-
Van Andel Arena®		
Security Upgrades-Metal Detector Gates Signage	145,000	-
Security Upgrades-Camera System	220,000	LTC + Rossetti
Refurbish Basketball Locker Room	75,000	-
Arena Bowl Lighting Conversion to LED	500,000	LTC + Rossetti
Concourse Lighting Conversion to LED	40,000	LTC + Rossetti
Entrance Exterior Lighting	35,000	LTC + Rossetti
Upgrade/Replace Outdoor Marquee	125,000	LTC
Compressor Rebuilds (4) Phase II of IV	140,000	Rossetti
Concrete Sidewalk Repair-West Side	100,000	-
DeVos Place®		
Theater Lobby Carpet Replace	55,000	LTC
Theater Sound Package Phase II	95,000	LTC
Lighting, Secchia Lobby, Ballroom Overlook to LED	75,000	-
Rebuild Two Chillers	100,000	LTC
Security Camera Upgrades/New Phase II	105,000	LTC
Exterior Concrete Reseal and Coating	150,000	-
Rewire Equipment Cable TV System	35,000	LTC
Total FY 2017 Capital Budget	\$ 2,300,000	

**Table B-1**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Detail of Expenditure Estimates**  
**FY 2015-2017**

	<u>FY 2015</u>	<u>FY 2016</u>		<u>FY 2017</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
<b>Utilities<sup>(4)</sup>:</b>				
Electricity	\$ 1,585,637	\$ 1,622,000	\$ 1,665,398	\$ 1,676,000
Steam/Gas	707,181	751,600	536,904	621,600
Water/Sewer	118,158	107,360	120,141	118,360
	<u>\$ 2,410,976</u>	<u>\$ 2,480,960</u>	<u>\$ 2,322,443</u>	<u>\$ 2,415,960</u>
<b>Other Operating<sup>(5)</sup>:</b>				
Parking Management	\$ 168,669	\$ 183,661	\$ 190,933	\$ 205,522
Pedestrian Safety	143,568	174,000	144,080	146,962
Marketing Campaign	62,711	100,000	100,000	200,000
Repairs - F&B	-	40,000	46,890	40,000
Landscaping	38,920	30,000	25,000	30,000
	<u>\$ 413,868</u>	<u>\$ 527,661</u>	<u>\$ 506,903</u>	<u>\$ 622,484</u>
<b>Administration/Other<sup>(6)</sup>:</b>				
Wages	\$ 98,731	\$ 95,871	\$ 98,731	\$ 97,957
Benefits	29,642	26,734	29,642	26,468
Accounting/Audit	38,821	33,000	29,500	24,900
Legal Services	28,958	35,000	33,500	35,000
DID Assessment <sup>(A)</sup>	39,720	40,500	53,269	54,335
Consulting Services	138,973	197,345 **	197,345	72,701 ***
Insurance	13,513	24,000	21,861	22,298
Marketing - CVB	75,000	75,000	75,000	75,000
Marketing - Sports Commission	50,000	50,000	50,000	50,000
Diversity Initiative	46,688	129,000	202,011	150,000
Procurement of Art (ArtPrize)	25,162	30,000	30,000	30,000
Other	16,024	60,000	20,000	60,000
	<u>\$ 601,232</u>	<u>\$ 796,450</u>	<u>\$ 840,859</u>	<u>\$ 698,659</u>

**Notes:**

<sup>(A)</sup>Downtown Improvement District special assessment contribution from CAA based on benefit allocation formula.

<sup>(7)</sup>Miscellaneous Revenue (FY 2015/2016) includes a \$50,000 annual (5-year) amortization of a capital contribution from SMG under the terms of the new food and beverage agreement. Also, FY 2016 includes \$66,000 from Phantom ticket surcharge to reimburse DeVos stage reconstruction.

\*\*SMG-\$32,345 and \$40,000 for a "South Arena Parking Market Analysis," later revised to study potential re-use of meeting room space fronting Monroe Avenue. In addition, a budget amendment (11/6/15) for a "Utility Metering and Long-Term Utility Use Study" in the amount of \$125,000.

\*\*\*SMG-\$32,701 and \$40,000 for CAA share of Lyon Street design work.

**Table C**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Consolidated Income Statement**  
**Fiscal Years Ending June 30, 2015-2017**

	FY 2015	FY 2016		FY 2017
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:				
Event - VanAndel Arena	\$ 1,170,991	\$ 1,169,825	\$ 1,172,603	\$ 1,315,000
- DeVos Place	3,154,482	2,939,400	3,259,140	2,953,900
Ancillary - VanAndel Arena	1,618,571	1,338,243	1,721,066	1,252,915
- DeVos Place	2,467,318	2,639,860	2,615,538	2,411,335
Other - VanAndel Arena	2,999,974	2,565,380	3,001,692	2,902,350
- DeVos Place	464,852	334,450	545,375	414,500
-Administration	164,506	35,000	54,456	54,456
Parking - VanAndel Arena	162,279	160,084	197,352	305,530
- DeVos Place	1,102,165	1,098,900	1,187,570	1,187,570
	13,305,138	12,281,142	13,754,792	12,797,556
Operating Expense / Appropriations:				
Facility Operations				
- VanAndel Arena	4,077,497	4,122,352	4,221,610	4,245,108
- DeVos Place	5,888,576	5,742,406	5,927,019	5,804,973
- Management	343,540	352,130	343,884	347,666
- Incentive	343,540	352,130	343,884	347,666
- Parking/Maintenance	394,242	527,661	506,903	622,484
Other Operating	379,802	-	-	-
Administration/Other	601,232	796,450	840,859	698,659
	12,028,429	11,893,129	12,184,159	12,066,556
Operating Income	1,276,709	388,013	1,570,633	731,000
Non-Operating Revenue:				
Interest/Capital Contribution	209,668	150,000	230,436	154,358
Transfer (to) from Capital Acct.	(750,141)	(2,774,000)	(2,457,812)	(2,300,000)
	(540,473)	(2,624,000)	(2,227,376)	(2,145,642)
<b>Net Income (Loss)</b>	<b>736,236</b>	<b>(2,235,987)</b>	<b>(656,743)</b>	<b>(1,414,642)</b>
<b>Fund Balance, beg. of yr.</b>	<b>21,160,088</b>	<b>21,896,324</b>	<b>21,896,324</b>	<b>21,239,581</b>
<b>Fund Balance, end of yr.</b>	<b>\$ 21,896,324</b>	<b>\$ 19,660,337</b>	<b>\$ 21,239,581</b>	<b>\$ 19,824,939</b>

**Table D**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**FY 2015-2016 Actual/Estimate**  
**FY 2017 Recommendation**

	<b>FY 2015</b>	<b>FY 2016</b>		<b>FY 2017</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Recommendation</b>
<b>Van Andel Arena</b>				
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	\$ 5,895,361	\$ 5,470,265
- Expenses - Facilities	(4,077,497)	(4,122,352)	(4,221,610)	(4,245,108)
- Management Fees	(171,770)	(176,065)	(171,942)	(173,833)
- Incentive Fee	(109,538)	(5,552)	(103,255)	(78,017)
Net Operating Income (Loss)	1,430,731	769,479	1,398,554	973,307
Parking	162,279	160,084	197,352	305,530
Pedestrian Safety	(92,151)	(108,000)	(90,157)	(91,960)
<b>Net Proceeds (Cost) of VAA</b>	<b>1,500,859</b>	<b>821,563</b>	<b>1,505,749</b>	<b>1,186,877</b>
<b>DeVos Place Convention Center</b>				
Operating - Revenues	6,086,652	5,913,710	6,420,053	5,779,735
- Expenses - Facilities	(5,888,576)	(5,742,406)	(5,927,019)	(5,804,973)
- Management Fees	(171,770)	(176,065)	(171,942)	(173,833)
- Incentive Fee	(234,002)	(346,578)	(240,629)	(269,649)
Net Operating Loss	(207,696)	(351,339)	80,463	(468,720)
Parking	933,496	915,239	996,637	982,048
Pedestrian Safety	(51,417)	(66,000)	(53,923)	(55,002)
<b>Net Proceeds (Cost) of DVP</b>	<b>674,383</b>	<b>497,900</b>	<b>1,023,177</b>	<b>458,326</b>
<b>Other</b>				
Revenues				
Interest	159,668	150,000	164,436	154,358
Miscellaneous	214,506	35,000	120,456	54,456
	374,174	185,000	284,892	208,814
Expenses				
Administration	(601,232)	(796,450)	(840,859)	(698,659)
Other Operating	(82,005)	(170,000)	(171,890)	(270,000)
	(683,237)	(966,450)	(1,012,749)	(968,659)
<b>Net Other</b>	<b>(309,063)</b>	<b>(781,450)</b>	<b>(727,857)</b>	<b>(759,845)</b>
<b>Total Net Proceeds/Operating</b>	<b>1,866,179</b>	<b>538,013</b>	<b>1,801,069</b>	<b>885,358</b>
Capital Expenditures	(1,129,943)	(2,774,000)	(2,457,812)	(2,300,000)
Results Net of Capital Expenditures	\$ 736,236	\$ (2,235,987)	\$ (656,743)	\$ (1,414,642)

**Table E**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Summary of Consolidated Income Statement - By Facility**  
**Fiscal Years 2008 through 2017**  
**May 25, 2016**  
**(In Thousands)**

	Actual								Est.	Rec.
	FY 2008 <sup>(1)</sup>	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
VAA - Net Proceeds	N/A	\$ 1,529	\$ 1,612	\$ 925	\$ 976	\$ 1,793	\$ 532	\$ 1,610	\$ 1,609	\$ 1,265
DVP - Net Proceeds	N/A	72	36	125	280	784	445	908	1,264	728
SMG Incentive Fees	(308)	(211)	(238)	-	-	(331)	-	(344)	(344)	(348)
Other-Net Proceeds	N/A	354 <sup>(2)</sup>	(126) <sup>(2)</sup>	(276)	(425)	(313) <sup>(2)</sup>	(456)	(308)	(728)	(760)
Total Net Operating	2,091	1,744	1,284	774	831	1,933	521	1,866	1,801	885
Capital	(550)	(566)	(675)	(3,416)	(662)	(962)	(2,565)	(1,130)	(2,458)	(2,300)
Transfer To/(From) Fund Balance	1,541	1,178	609	(2,643)	168	970	(2,044)	736	(657)	(1,415)
Fund Balance, End of Year	<u>\$ 22,941</u>	<u>\$ 24,119</u>	<u>\$ 24,728</u>	<u>\$ 22,066</u>	<u>\$ 22,234</u>	<u>\$ 23,204</u>	<u>\$ 21,160</u>	<u>\$ 21,896</u>	<u>\$ 21,239</u>	<u>\$ 19,824</u>

NOTES:

(1) Consolidated Facility Actuals - Not/Available.

(2) Interest - \$648K in FY 2009, \$322K in FY 2010, and declining further to \$93K in FY 2013.



**Table F**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**15 Year Fund Balance Projection**  
**(In Thousands)**  
**28-Apr-16**

	Beginning Fund Balance	Revenues	Expenses	Net Income/ (Loss)	Capital	Ending Fund Balance
FY 2017	\$ 21,240	\$ 12,952	\$ (12,067)	\$ 885	\$ (2,300)	\$19,825
FY 2018	19,825	13,366	(12,295)	1,071	(1,909)	18,987
FY 2019	18,897	13,773	(12,528)	1,245	(1,947)	18,285
FY 2020	18,285	14,178	(12,765)	1,413	(1,986)	17,712
FY 2021	17,712	14,449	(13,007)	1,442	(2,025)	17,129
FY 2022	17,129	14,727	(13,252)	1,475	(2,066)	16,538
FY 2023	16,538	15,010	(13,504)	1,506	(4,792)	13,252
FY 2024	13,252	15,220	(13,760)	1,460	(4,888)	9,824
FY 2025	9,824	15,432	(14,021)	1,411	(4,986)	6,249
FY 2026	6,249	15,645	(14,287)	1,358	(5,086)	2,521
FY 2027	2,521	15,864	(14,558)	1,306	(5,187)	(1,360)
FY 2028	(1,360)	16,123	(14,835)	1,288	(1,784)	(1,856)
FY 2029	(1,856)	16,466	(15,118)	1,348	(1,820)	(2,328)
FY 2030	(2,328)	16,817	(15,404)	1,413	(1,856)	(2,771)
FY 2031	(2,771)	17,175	(15,697)	1,478	(1,893)	(3,186)

NOTES:

Revenues - Facilities increase by 2% per annum, parking facilities increase by 3% per annum and interest at .75% (2017) to 3.00% (2022) on beginning fund balance each year.

Expense (Operating) - Facilities increase by 2% per annum, parking/administration increase by 1% per annum.

Capital - Indexed at 2% per annum.

# DEVOS PLACE

## DE VOS PLACE

OPERATING BUDGET  
FISCAL YEAR ENDING JUNE 30, 2017

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

Distribution:

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



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*An SMG Managed Facility*

DeVos Place  
Fiscal Year Ending June 30, 2017  
Lead Income Statement

	Prior Year FY 2016 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
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Event Income

Direct Event Income

Rental Income	3,152,400	3,388,034	(235,634)	-6.95%
Service Income	2,800,500	2,870,508	(70,008)	-2.44%
Service Expenses	(2,999,000)	(3,085,995)	86,995	-2.82%
<b>Total Direct Event Income</b>	<b>2,953,900</b>	<b>3,172,547</b>	<b>(218,647)</b>	<b>-6.89%</b>

Ancillary Income

F & B Concessions	186,700	226,446	(39,746)	-17.55%
F & B Catering	814,900	829,585	(14,685)	-1.77%
Novelty Sales	16,500	20,060	(3,560)	-17.75%
Booth Cleaning	312,460	374,691	(62,231)	-16.61%
Telephone/Long Distance	-	1,275	(1,275)	-100.00%
Electrical Services	392,500	396,801	(4,301)	-1.08%
Audio Visual	328,350	372,659	(44,309)	-11.89%
Internet Services	149,475	150,868	(1,393)	-0.92%
Equipment Rental	210,450	222,766	(12,316)	-5.53%
<b>Total Ancillary Income</b>	<b>2,411,335</b>	<b>2,595,151</b>	<b>(183,816)</b>	<b>-7.08%</b>

Other Event Income

Ticket Rebates (Per Event)	382,500	430,356	(47,856)	-11.12%
<b>Total Other Event Income</b>	<b>382,500</b>	<b>430,356</b>	<b>(47,856)</b>	<b>-11.12%</b>

Total Event Income

	<b>5,747,735</b>	<b>6,198,054</b>	<b>(450,319)</b>	<b>-7.27%</b>
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Other Operating Income

	<b>32,000</b>	<b>32,446</b>	<b>(446)</b>	<b>-1.37%</b>
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Adjusted Gross Income

	<b>5,779,735</b>	<b>6,230,500</b>	<b>(450,765)</b>	<b>-7.23%</b>
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Operating Expenses

Employee Salaries and Wages	3,472,434	3,445,372	(27,062)	-0.79%
Benefits	1,138,161	1,101,395	(36,766)	-3.34%
Less: Event Labor Allocations	(2,144,866)	(2,152,881)	(8,015)	0.37%
<b>Net Employee Wages and Benefits</b>	<b>2,465,729</b>	<b>2,393,886</b>	<b>(71,843)</b>	<b>-3.00%</b>
Contracted Services	252,300	334,537	82,237	24.58%
General and Administrative Operations	368,873	397,209	28,336	7.13%
Repair & Maintenance	138,850	138,596	(254)	-0.18%
Supplies	529,199	562,091	32,892	5.85%
Insurance	260,700	280,475	19,775	7.05%
Utilities	246,522	242,547	(3,975)	-1.64%
SMG Management Fees	1,542,800	1,535,178	(7,622)	-0.50%
<b>Total Operating Expenses</b>	<b>5,978,806</b>	<b>6,056,461</b>	<b>77,655</b>	<b>1.28%</b>

Net Income (Loss) From Operations

	<b>(199,071)</b>	<b>174,039</b>	<b>(373,110)</b>	<b>-214.38%</b>
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Other Income (Expenses)

Net Income After Other Income (Expenses)

	<b>(199,071)</b>	<b>174,039</b>	<b>(373,110)</b>	<b>-214.38%</b>
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DeVos Place  
Fiscal Year Ending June 30, 2017  
Lead Income Statement

		Prior Year FY 2016 Rolling Forecast	Variance More / (Less)
	Total		
<b>Gross Services Billed</b>			
Advertising	43,284	44,366	(1,082)
Changeover	15,041	15,417	(376)
Stagehands	1,633,333	1,763,959	(130,626)
Security	328,678	299,479	29,199
Ushers/Ticket Takers	212,088	217,390	(5,302)
Box Office - Labor	26,987	27,663	(676)
Box Office - Ticketing Services	280,167	234,790	45,377
Utilities	14,210	14,565	(355)
City/Police/Fire	23,013	23,588	(575)
EMT's	49,558	50,797	(1,239)
Cleaning	48,578	49,792	(1,214)
Insurance	7,162	7,340	(178)
Group Sales Commission	2,738	2,807	(69)
Telephone	4,529	4,642	(113)
Other Production	111,135	113,913	(2,778)
<b>Total Services Billed</b>	<b>2,800,500</b>	<b>2,870,508</b>	<b>(70,007)</b>
<b>Gross Services Expense</b>			
Advertising	74,260	76,413	(2,153)
Stagehands	1,541,936	1,586,664	(44,728)
Security	445,993	458,930	(12,937)
Ushers/Ticket Takers	141,884	146,000	(4,116)
Box Office - Labor	34,720	35,727	(1,007)
Box Office - Ticketing Services	64,740	66,618	(1,878)
City/Police/Fire	16,213	16,684	(471)
EMT's	44,214	45,496	(1,282)
Cleaning	470,362	484,006	(13,644)
Insurance	6,226	6,406	(180)
Group Sales Commission	2,372	2,441	(69)
Telephone	901	928	(27)
Other Production	155,180	159,682	(4,502)
<b>Total Services Expense</b>	<b>2,999,000</b>	<b>3,085,995</b>	<b>(86,994)</b>
<b>Total Service Income (Loss)</b>	<b>(198,500)</b>	<b>(215,487)</b>	<b>16,987</b>

**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary Report**  
**For Fiscal Year Ending June 30, 2017**

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2016	Variance
	FY 2017	FY 2016							
Convention/Trade Shows	95	137	95,000	997,500	(162,500)	954,750	1,789,750	2,111,004	(321,254)
Consumer/Gated Shows	48	54	157,000	817,500	(48,000)	354,630	1,124,130	1,291,936	(167,806)
Banquets	40	24	32,000	140,000	(30,000)	327,400	437,400	349,572	87,828
Meetings	90	65	27,000	270,000	(54,000)	416,790	632,790	643,300	(10,510)
Other	40	24	48,000	160,000	(32,000)	164,640	292,640	259,730	32,910
Devos Performance Hall	141	151	176,750	767,400	128,000	575,625	1,471,025	1,542,512	(71,487)
<b>GRAND TOTALS</b>	<b>454</b>	<b>455</b>	<b>535,750</b>	<b>3,152,400</b>	<b>(198,500)</b>	<b>2,793,835</b>	<b>5,747,735</b>	<b>6,198,054</b>	<b>(450,319)</b>

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2017**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2016 Forecast
Net Revenue above Expenses	1,051,324	(199,071)	852,253	1,003,101
Benchmark++			750,000	750,000
Excess	1,051,324	(199,071)	102,253	253,101

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	173,833	173,833	347,666	343,884
Incentive Fee				
Revenue	5,470,265	5,779,735	11,250,000	11,232,630
Benchmark Revenue	5,100,000	4,500,000	9,600,000	9,500,000
Revenue Excess	370,265	1,279,735	1,650,000	1,732,630
Incentive Fee **	78,017	269,649	347,666	343,884
Total SMG Management Fee	251,850	443,482	695,332	687,768

\*\* 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

**SMG - Van Andel Arena / DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Full Time Employee Summary & Allocation**  
**Fiscal Year Ending June 30, 2017**

Position	F/Y 2016			F/Y 2017			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	6.00	10.00	4.00	6.00	10.00	-
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	1.00	4.00	5.00	1.00	4.00	5.00	-
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	-
<b>Total</b>	<b>28.46</b>	<b>34.54</b>	<b>63.00</b>	<b>28.46</b>	<b>34.54</b>	<b>63.00</b>	<b>-</b>



# **VAN ANDEL ARENA**

**OPERATING BUDGET  
FISCAL YEAR ENDING JUNE 30, 2017**

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

**Distribution:**

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



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*An SMG Managed Facility*



Van Andel Arena  
Fiscal Year Ending June 30, 2017  
Lead Income Statement

	FY 2017 Budget	Prior Year FY 2016 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
<b>Event Income</b>				
<b>Direct Event Income</b>				
Rental Income	1,902,000	1,670,864	231,136	13.83%
Service Income	1,135,000	1,459,493	(324,493)	-22.23%
Service Expenses	(1,722,000)	(2,131,209)	409,209	-19.20%
<b>Total Direct Event Income</b>	<b>1,315,000</b>	<b>999,148</b>	<b>315,852</b>	<b>31.61%</b>
<b>Ancillary Income</b>				
F & B Concessions	1,081,603	1,463,115	(381,512)	-26.08%
F & B Catering	99,102	133,577	(34,476)	-25.81%
Novelty Sales	72,210	104,408	(32,198)	-30.84%
Booth Cleaning	-	355	(355)	
Other Ancillary	-	-	-	#DIV/0!
<b>Total Ancillary Income</b>	<b>1,252,915</b>	<b>1,701,455</b>	<b>(448,541)</b>	<b>-26.36%</b>
<b>Other Event Income</b>				
Ticket Rebates (Per Event)	631,000	590,860	40,140	6.79%
<b>Total Other Event Income</b>	<b>631,000</b>	<b>590,860</b>	<b>40,140</b>	<b>6.79%</b>
<b>Total Event Income</b>	<b>3,198,915</b>	<b>3,291,463</b>	<b>(92,549)</b>	<b>-2.81%</b>
<b>Other Operating Income</b>	<b>2,271,350</b>	<b>2,359,584</b>	<b>(88,234)</b>	<b>-3.74%</b>
<b>Adjusted Gross Income</b>	<b>5,470,265</b>	<b>5,651,047</b>	<b>(180,783)</b>	<b>-3.20%</b>
<b>Operating Expenses</b>				
Employee Salaries and Wages	2,418,620	2,323,937	(94,683)	-4.07%
Benefits	730,628	674,952	(55,676)	-8.25%
Less: Event Labor Allocations	(1,244,076)	(1,222,773)	21,303	-1.74%
<b>Net Employee Wages and Benefits</b>	<b>1,905,172</b>	<b>1,776,116</b>	<b>(129,056)</b>	<b>-7.27%</b>
Contracted Services	254,400	245,855	(8,545)	-3.48%
General and Administrative Operations	318,970	364,239	45,269	12.43%
Repair & Maintenance	90,784	97,055	6,271	6.46%
Supplies	293,090	317,376	24,286	7.65%
Insurance	193,500	231,069	37,569	16.26%
Utilities	176,832	154,508	(22,324)	-14.45%
SMG Management Fees	1,012,360	980,392	(31,968)	-3.26%
<b>Total Operating Expenses</b>	<b>4,418,941</b>	<b>4,338,552</b>	<b>(80,389)</b>	<b>-1.85%</b>
<b>Net Income (Loss) From Operations</b>	<b>1,051,324</b>	<b>1,312,495</b>	<b>(261,172)</b>	<b>-19.90%</b>
<b>Other Income (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Income After Other Income (Expenses)</b>	<b>1,051,324</b>	<b>1,312,495</b>	<b>(261,172)</b>	<b>-19.90%</b>

Van Andel Arena  
 Fiscal Year Ending June 30, 2017  
 Summary of Service Income

	Total	Prior Year FY 2016 Rolling Forecast	Variance More / (Less)
<b>Gross Services Billed</b>			
Advertising	292,009	379,844	(87,835)
Labor	9,455	12,299	(2,844)
Changeover	65,867	85,680	(19,813)
Stagehands	352,696	458,785	(106,089)
Security	54,242	70,558	(16,316)
Ushers/Ticket Takers	47,610	61,931	(14,321)
Box Office - Labor	3,955	5,145	(1,190)
Box Office - Ticket Service	56,137	73,023	(16,886)
City/Police/Fire	5,457	7,098	(1,641)
EMT's	8,407	10,936	(2,529)
Cleaning	50,030	65,079	(15,049)
Group Sales Commission	14,326	18,635	(4,309)
Telephone	8,546	11,117	(2,571)
Other Production	153,264	199,365	(46,101)
<b>Total Service Income Billed</b>	<b>1,122,000</b>	<b>1,459,493</b>	<b>(337,494)</b>
<b>Gross Services Expense</b>			
Advertising	317,949	396,963	(79,014)
Labor	7,675	9,582	(1,907)
Contracted Changeover	120,099	149,945	(29,846)
Stagehands	375,107	468,325	(93,218)
Contracted Security	148,354	185,222	(36,868)
Contracted Ushers/Ticket Takers	132,928	165,963	(33,035)
Box Office Labor	3,019	3,770	(751)
Contracted Ticketing Service	50,880	63,524	(12,644)
City/Police/Fire	12,586	15,713	(3,127)
Contracted EMT's	18,205	22,729	(4,524)
Contracted Cleaning	126,317	157,708	(31,391)
Group Sales Commission	5,920	7,391	(1,471)
Allocated Telephone	2,555	3,190	(635)
Other Production Expense	385,406	481,183	(95,777)
<b>Total Services Expense</b>	<b>1,707,000</b>	<b>2,131,209</b>	<b>(424,208)</b>
<b>Total Service Income (Loss)</b>	<b>(585,000)</b>	<b>(671,716)</b>	<b>86,714</b>

**SMG Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary Report**  
**For Fiscal Year Ending June 30, 2017**

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2016	Variance
	FY 2017	FY 2016							
Family Shows	16	26	52,500	193,000	(104,000)	125,405	214,405	230,923	(16,518)
Sports	9	6	42,000	235,000	(37,000)	198,732	396,732	318,027	78,705
Concerts	24	29	170,000	930,500	(38,000)	913,740	1,806,240	1,917,253	(111,013)
Griffins	38	39	254,600	427,500	(418,000)	582,341	591,841	590,269	1,572
Other	12	10	43,000	116,000	10,000	63,697	189,697	234,989	(45,292)
<b>GRAND TOTALS</b>	<b>99</b>	<b>110</b>	<b>562,100</b>	<b>1,902,000</b>	<b>(587,000)</b>	<b>1,883,915</b>	<b>3,198,915</b>	<b>3,291,461</b>	<b>(92,546)</b>

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**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2017**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2016 Forecast
Net Revenue above Expenses	1,051,324	(199,071)	852,253	1,003,101
Benchmark++			750,000	750,000
Excess	1,051,324	(199,071)	102,253	253,101

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	173,833	173,833	347,666	343,884
Incentive Fee				
Revenue	5,470,265	5,779,735	11,250,000	11,232,630
Benchmark Revenue	5,100,000	4,500,000	9,600,000	9,500,000
Revenue Excess	370,265	1,279,735	1,650,000	1,732,630
Incentive Fee **	78,017	269,649	347,666	343,884
Total SMG Management Fee	251,850	443,482	695,332	687,768

\*\* 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

**SMG - Van Andel Arena / DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Full Time Employee Summary & Allocation**  
**Fiscal Year Ending June 30, 2017**

Position	F/Y 2016			F/Y 2017			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	6.00	10.00	4.00	6.00	10.00	-
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	1.00	4.00	5.00	1.00	4.00	5.00	-
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	-
<b>Total</b>	<b>28.46</b>	<b>34.54</b>	<b>63.00</b>	<b>28.46</b>	<b>34.54</b>	<b>63.00</b>	<b>-</b>

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May 31, 2016

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

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

FROM: Eddie Tadlock, Assistant General Manager, DeVos Place®

RE: Rental Rates, DeVos Place®

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I would like to take this opportunity to present SMG's recommendations for Room Rental Rates for DeVos Place®, effective FY July 2017 through FY June 2021. 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 market place and knowledge of rental rates of comparable venues of similar size in the country.

In January and February 2014, Red 7 Media Research & Consulting and EXPO magazine conducted a survey of leading convention center executives and managers. The survey was sent via email to 577 executives and 65 responded for an 11.2% response rate.

Over a five-year period, 65% of responding venues say they have increased their pricing. Twenty-six percent of member venues say their pricing has stayed the same in a five year period (2009-2014).

We consider our current 5-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.

We have consulted with our partners at the Amway Hotel Corporation and Experience Grand Rapids to assure that the proposed increases are in line with our joint marketing goals.

Attachments: Rental Rate Schedules FY's, 2017, 2018, 2019, 2020, 2021.

## ROOM RENTAL RATES

FY 2017 (July 1, 2016 – June 30, 2017)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,300 vs 12%	\$3,300/1 <sup>st</sup> Performance \$1,650/2 <sup>nd</sup> Performance	N/A	N/A	\$3,800	N/A
DeVos Hall (Fri-Sat)	\$3,800 vs 12%	\$3,800/1 <sup>st</sup> Performance \$1,900/2 <sup>nd</sup> Performance	N/A	N/A	\$4,300	N/A
Hall A-C	\$21,075 vs 12%	N/A	\$17,700 or \$.25 net sq. ft.	\$21,075 or \$.29 net sq. ft.	\$21,075	\$10,950
Hall A-B or B-C	\$14,050 vs 12%	N/A	\$11,800 or \$.25 net sq. ft.	\$14,050 or \$.29 net sq. ft.	\$14,050	\$7,300
Hall A, B, Or C	\$7,025 vs 12%	N/A	\$5,900 or \$.25 net sq. ft.	\$7,025 or \$.29 net sq. ft.	\$7,025	\$3,650
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,600 vs 12%	N/A	\$1,350 or \$.25 net sq. ft.	\$1,600 or \$.29 net sq. ft.	\$1,600	\$1,100
Meeting Rooms Grand Gallery Individual	\$575 vs 12%	N/A	\$575 or \$.25 net sq. ft.	\$575 or \$.29 net sq. ft.	\$575	\$575
Ballroom	\$6,200 vs 12%	N/A	\$5,200 or \$.25 net sq. ft.	\$6,200 or \$.29 net sq. ft.	\$6,200	\$3,700
Ballroom A,B,C-D	\$2,150 vs 12%	N/A	\$2,050 or \$.25 net sq. ft.	\$2,150 or \$.29 net sq. ft.	\$2,150	\$1,700
Ballroom C or D	\$1,300 vs 12%	N/A	\$1,250 or \$.25 net sq. ft.	\$1,300 or \$.29 net sq. ft.	\$1,300	\$1,200
River Overlook Meeting Rooms	\$575 vs 12%	N/A	\$575 per day	\$575 per day	\$575	\$575
Board Room	N/A	N/A	\$625 per day	\$625 per day	\$625	\$625
Monroe Meeting Rooms A-D	\$1,200 vs 12%	N/A	\$1,150 per day	\$1,200 per day	\$1,200	\$1,150
Monroe Meeting Room B, C, or D	N/A	N/A	\$475 per day	\$475 per day	\$475	\$475
Recital Hall or Monroe Meeting Room A	\$850 vs 12%	N/A	\$850 per day	\$850 per day	\$850	\$850

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 2018 (July 1, 2017 – June 30, 2018)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,400 vs 12%	\$3,400/1 <sup>st</sup> Performance \$1,700/2 <sup>nd</sup> Performance	N/A	N/A	\$3,900	N/A
DeVos Hall (Fri-Sat)	\$3,900 vs 12%	\$3,900/1 <sup>st</sup> Performance \$1,950/2 <sup>nd</sup> Performance	N/A	N/A	\$4,400	N/A
Hall A-C	\$21,600 vs 12%	N/A	\$18,225 or \$.25 net sq. ft.	\$21,600 or \$.29 net sq. ft.	\$21,600	\$11,250
Hall A-B or B-C	\$14,400 vs 12%	N/A	\$12,150 or \$.25 net sq. ft.	\$14,400 or \$.29 net sq. ft.	\$14,400	\$7,500
Hall A, B, Or C	\$7,200 vs 12%	N/A	\$6,075 or \$.25 net sq. ft.	\$7,200 or \$.29 net sq. ft.	\$7,200	\$3,750
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,650 vs 12%	N/A	\$1,400 or \$.25 net sq. ft.	\$1,650 or \$.29 net sq. ft.	\$1,650	\$1,125
Meeting Rooms Grand Gallery Individual	\$600 vs 12%	N/A	\$600 or \$.25 net sq. ft.	\$600 or \$.29 net sq. ft.	\$600	\$600
Ballroom	\$6,350 vs 12%	N/A	\$5,350 or \$.25 net sq. ft.	\$6,350 or \$.29 net sq. ft.	\$6,350	\$3,800
Ballroom A,B,C-D	\$2,200 vs 12%	N/A	\$2,100 or \$.25 net sq. ft.	\$2,200 or \$.29 net sq. ft.	\$2,200	\$1,750
Ballroom C or D	\$1,350 vs 12%	N/A	\$1,300 or \$.25 net sq. ft.	\$1,350 or \$.29 net sq. ft.	\$1,350	\$1,250
River Overlook Meeting Rooms	\$600 vs 12%	N/A	\$600 per day	\$600 per day	\$600	\$600
Board Room	N/A	N/A	\$650 per day	\$650 per day	\$650	\$650
Monroe Meeting Rooms A-D	\$1,250 vs 12%	N/A	\$1,200 per day	\$1,250 per day	\$1,250	\$1,200
Monroe Meeting Room B, C, or D	N/A	N/A	\$500 per day	\$500 per day	\$500	\$500
Recital Hall or Monroe Meeting Room A	\$900 vs 12%	N/A	\$900 per day	\$900 per day	\$900	\$900

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## ROOM RENTAL RATES

FY 2019 (July 1, 2018 – June 30, 2019)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,500 vs 12%	\$3,500/1 <sup>st</sup> Performance \$1,750/2 <sup>nd</sup> Performance	N/A	N/A	\$4,000	N/A
DeVos Hall (Fri-Sat)	\$4,000 vs 12%	\$4,000/1 <sup>st</sup> Performance \$2,000/2 <sup>nd</sup> Performance	N/A	N/A	\$4,500	N/A
Hall A-C	\$22,125 vs 12%	N/A	\$18,750 or \$.25 net sq. ft.	\$22,125 or \$.29 net sq. ft.	\$22,125	\$11,550
Hall A-B or B-C	\$14,750 vs 12%	N/A	\$12,500 or \$.25 net sq. ft.	\$14,750 or \$.29 net sq. ft.	\$14,750	\$7,700
Hall A, B, Or C	\$7,375 vs 12%	N/A	\$6,250 or \$.25 net sq. ft.	\$7,375 or \$.29 net sq. ft.	\$7,375	\$3,850
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,700 vs 12%	N/A	\$1,450 or \$.25 net sq. ft.	\$1,700 or \$.29 net sq. ft.	\$1,700	\$1,150
Meeting Rooms Grand Gallery Individual	\$625 vs 12%	N/A	\$625 or \$.25 net sq. ft.	\$625 or \$.29 net sq. ft.	\$625	\$625
Ballroom	\$6,500 vs 12%	N/A	\$5,500 or \$.25 net sq. ft.	\$6,500 or \$.29 net sq. ft.	\$6,500	\$3,900
Ballroom A,B,C-D	\$2,250 vs 12%	N/A	\$2,150 or \$.25 net sq. ft.	\$2,250 or \$.29 net sq. ft.	\$2,250	\$1,800
Ballroom C or D	\$1,400 vs 12%	N/A	\$1,350 or \$.25 net sq. ft.	\$1,400 or \$.29 net sq. ft.	\$1,400	\$1,300
River Overlook Meeting Rooms	\$625 vs 12%	N/A	\$625 per day	\$625 per day	\$625	\$625
Board Room	N/A	N/A	\$675 per day	\$675 per day	\$675	\$675
Monroe Meeting Rooms A-D	\$1,300 vs 12%	N/A	\$1,250 per day	\$1,300 per day	\$1,300	\$1,250
Monroe Meeting Room B, C, or D	N/A	N/A	\$525 per day	\$525 per day	\$525	\$525
Recital Hall or Monroe Meeting Room A	\$925 vs 12%	N/A	\$925 per day	\$925 per day	\$925	\$925

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## ROOM RENTAL RATES

FY 2020 (July 1, 2019 – June 30, 2020)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,600 vs 12%	\$3,600/1 <sup>st</sup> Performance \$1,800/2 <sup>nd</sup> Performance	N/A	N/A	\$4,100	N/A
DeVos Hall (Fri-Sat)	\$4,100 vs 12%	\$4,100/1 <sup>st</sup> Performance \$2,050/2 <sup>nd</sup> Performance	N/A	N/A	\$4,600	N/A
Hall A-C	\$22,650 vs 12%	N/A	\$19,275 or \$.25 net sq. ft.	\$22,650 or \$.29 net sq. ft.	\$22,650	\$11,850
Hall A-B or B-C	\$15,100 vs 12%	N/A	\$12,850 or \$.25 net sq. ft.	\$15,100 or \$.29 net sq. ft.	\$15,100	\$7,900
Hall A, B, Or C	\$7,550 vs 12%	N/A	\$6,425 or \$.25 net sq. ft.	\$7,550 or \$.29 net sq. ft.	\$7,550	\$3,950
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,750 vs 12%	N/A	\$1,500 or \$.25 net sq. ft.	\$1,750 or \$.29 net sq. ft.	\$1,750	\$1,175
Meeting Rooms Grand Gallery Individual	\$650 vs 12%	N/A	\$650 or \$.25 net sq. ft.	\$650 or \$.29 net sq. ft.	\$650	\$650
Ballroom	\$6,650 vs 12%	N/A	\$5,650 or \$.25 net sq. ft.	\$6,650 or \$.29 net sq. ft.	\$6,650	\$4,000
Ballroom A,B,C-D	\$2,300 vs 12%	N/A	\$2,200 or \$.25 net sq. ft.	\$2,300 or \$.29 net sq. ft.	\$2,300	\$1,850
Ballroom C or D	\$1,450 vs 12%	N/A	\$1,400 or \$.25 net sq. ft.	\$1,450 or \$.29 net sq. ft.	\$1,450	\$1,350
River Overlook Meeting Rooms	\$650 vs 12%	N/A	\$650 per day	\$650 per day	\$650	\$650
Board Room	N/A	N/A	\$700 per day	\$700 per day	\$700	\$700
Monroe Meeting Rooms A-D	\$1,350 vs 12%	N/A	\$1,300 per day	\$1,350 per day	\$1,350	\$1,300
Monroe Meeting Room B, C, or D	N/A	N/A	\$550 per day	\$550 per day	\$550	\$550
Recital Hall or Monroe Meeting Room A	\$975 vs 12%	N/A	\$975 per day	\$975 per day	\$975	\$975

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## ROOM RENTAL RATES

FY 2021(July 1, 2020 – June 30, 2021)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,700 vs 12%	\$3,700/1 <sup>st</sup> Performance \$1,850/2 <sup>nd</sup> Performance	N/A	N/A	\$4,200	N/A
DeVos Hall (Fri-Sat)	\$4,200 vs 12%	\$4,200/1 <sup>st</sup> Performance \$2,100/2 <sup>nd</sup> Performance	N/A	N/A	\$4,700	N/A
Hall A-C	\$23,175 vs 12%	N/A	\$19,800 or \$.25 net sq. ft.	\$23,175 or \$.29 net sq. ft.	\$23,175	\$12,150
Hall A-B or B-C	\$15,450 vs 12%	N/A	\$13,200 or \$.25 net sq. ft.	\$15,450 or \$.29 net sq. ft.	\$15,450	\$8,100
Hall A, B, Or C	\$7,725 vs 12%	N/A	\$6,600 or \$.25 net sq. ft.	\$7,725 or \$.29 net sq. ft.	\$7,725	\$4,050
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,800 vs 12%	N/A	\$1,550 or \$.25 net sq. ft.	\$1,800 or \$.29 net sq. ft.	\$1,800	\$1,200
Meeting Rooms Grand Gallery Individual	\$675 vs 12%	N/A	\$675 or \$.25 net sq. ft.	\$675 or \$.29 net sq. ft.	\$675	\$675
Ballroom	\$6,800 vs 12%	N/A	\$5,800 or \$.25 net sq. ft.	\$6,800 or \$.29 net sq. ft.	\$6,800	\$4,100
Ballroom A,B,C-D	\$2,350 vs 12%	N/A	\$2,250 or \$.25 net sq. ft.	\$2,350 or \$.29 net sq. ft.	\$2,350	\$1,900
Ballroom C or D	\$1,500 vs 12%	N/A	\$1,450 or \$.25 net sq. ft.	\$1,500 or \$.29 net sq. ft.	\$1,500	\$1,400
River Overlook Meeting Rooms	\$675 vs 12%	N/A	\$675 per day	\$675 per day	\$675	\$675
Board Room	N/A	N/A	\$725 per day	\$725 per day	\$725	\$725
Monroe Meeting Rooms A-D	\$1,400 vs 12%	N/A	\$1,350 per day	\$1,400 per day	\$1,400	\$1,350
Monroe Meeting Room B, C, or D	N/A	N/A	\$575 per day	\$575 per day	\$575	\$575
Recital Hall or Monroe Meeting Room A	\$1,000 vs 12%	N/A	\$1,000 per day	\$1,000 per day	\$1,000	\$1,000

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.