



Agenda

Joint Meeting of Board of Directors & Committees

Friday | June 5, 2020
8:00 a.m.
Virtual Zoom Meeting

- | | | |
|-----|---|--|
| 1. | Call to Order | Steve Heacock |
| 2. | City of Grand Rapids Update | Hon. Rosalynn Bliss
Mark Washington |
| 3. | Proof of Concept Task Force Update | Rich MacKeigan |
| 4. | Minutes of May 1, 2020 | Action |
| 5. | Committee Reports | |
| | A. Operations Committee | |
| | B. Finance Committee | |
| | i. Acceptance of April 2020 Consolidated Financial Statements | Action |
| | ii. SMG – April 2020 DeVos Place®/Van Andel Arena® Financials | Information |
| 6. | FY 2021 Budgets | Action |
| | A. Consolidated CAA Budgets | |
| | B. DeVos Place® and Van Andel Arena® Operating/Capital Budgets | |
| 7. | DeVos Place® Rate Sheets: FY 2021-FY 2025 | Action |
| 8. | Addendum II to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement | Action |
| 9. | DeVos Place® Parking Operation Agreement | Action |
| 10. | SMG Report | Rich MacKeigan |
| 11. | Public Comment | |
| 12. | Board & Committee Comments | |
| 13. | Adjournment | |

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
REMOTE VIRTUAL MEETING
Friday, May 1, 2020**

Attendance

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

Members Absent: Lew Chamberlin

Staff/Others:	Scott Atchison	Michigan Flashcard
	Kathy Bart	ASM
	Wayman Britt	Kent County
	James Conner	Triangle, Inc.
	Thomas Coomes	Citigroup Global Markets Inc.
	Jeff Dood	Kent County
	Aaron Doty	Grand Rapids Symphony
	Jill Ferris	CAA Finance Committee
	Scott Gorsline	DP Fox
	Tim Gortsema	Grand Rapids Griffins
	Braden Graham	Bluewater Technologies
	Jen Henkel	ASM
	Robert Herr	CAA Finance Committee
	Abby Jefferson	Experience Grand Rapids
	Jennifer Kasper	Grand Rapids Parking Services
	Chris Knape	K Corner Consulting
	Chris Machuta	ASM
	Rich MacKeigan	ASM
	Mary Manier	Experience Grand Rapids
	Brian McVicar	<i>MLive/The Grand Rapids Press</i>
	Jay Preston	
	Torrance Richardson	Gerald R. Ford International Airport
	Doug Small	Experience Grand Rapids
	Brett Smith	Bluewater Technologies
	Monica Sparks-Polk	Kent County
	Emilee Syrewicze	Opera Grand Rapids
	Eddie Tadlock	ASM
	Aaron Terpstra	City of Grand Rapids
	Brad Thomas	Progressive AE
	Marvin Van Nortwick	Kent County
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Mark Washington	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	CAA
	Robert Wilberding	Bluewater Technologies
	Paul Ymker	Bluewater Technologies

1. Call to Order

Steve Heacock, chairperson, called the remote virtual meeting to order at 9:05 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

2. Minutes of Prior Meeting

Motion by Ms. Klohs, support by Mr. Wilson, to approve the February 7, 2020, Minutes. Yes: Bliss, Heacock, Klohs, Secchia, Wilson, Winn. No: None. Abstain: None. Absent: Chamberlin. Motion carried.

3. Committee Reports

A. Operations Committee

Mr. MacKeigan stated that he continues to have dialogue with Doug Small of Experience Grand Rapids. Experience Grand Rapids continues to work aggressively towards moving business and securing new business. Communication is ongoing among the three-legged stool. Chair Heacock reiterated the CAA is taking the long view that this close-down is a temporary circumstance, knowing the Arena and Convention Center will one day be at full capacity.

B. Finance Committee

i. Consolidated Financial Statement for Period Ending March 31, 2020

Motion: Mr. Winn, supported by Mr. Wilson, moved to accept the March 2020 Consolidated Financial Statements. Yes: Bliss, Heacock, Klohs, Secchia, Wilson, Winn. No: None. Abstain: None. Absent: Chamberlin. Motion carried.

ii. SMG March 2020 DeVos Place® and Van Andel Arena® Financial Statements

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

4. Preliminary Review of FY 2021 Budgets

The proposed budgets were reviewed at the CAA Finance Committee and there was nothing additional to report.

Chair Heacock asked for Board input regarding assumptions for the task force that will be working on the FY 2021 budget. Ms. Klohs wondered how to keep people safe and still cover costs. Mr. MacKeigan responded that ASM and industry officials are addressing these issues now. It may be realistic to offer sponsorship opportunities, such as logos on sealed, sanitized masks. One of the benefits of being the last back into the economy is that there will be best practices that we can use. Additionally, it is giving the industry more time to communicate and collaborate with each other. Promoters have expressed that they do not want to be involved in the answers and the buildings will figure it out by starting with small events to get the public comfortable. When the public is ready to come back, a lot of the kinks will be worked out already. As people become more comfortable, we will have to create programming to get people into the buildings, so they see how much consideration the buildings are giving to their health and welfare. Mr. Wilson expressed his appreciation for the optimistic point of view.

5. Preliminary Review of 2021-2025 Rate Sheets

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

6. Extension of Financial Services Employment Agreement

Motion: Mr. Winn, supported by Ms. Bliss, moved to approve an Extension of the Second Amendment to Financial Services Employment Agreement with Robert J. White, as recommended. Yes: Bliss, Heacock, Klohs, Secchia, Wilson, Winn. No: None. Abstain: None. Absent: Chamberlin. Motion carried.

7. Auto Parking System Periodic Reporting

Mr. White presented a quarterly report regarding the City/County utilization of discounted DeVos Place® monthly parking passes.

8. SMG Report and Facilities Calendars

Mr. MacKeigan continues to have dialogue with the Red Cross about the potential of using the Arena as a blood donation site.

9. Public Comment

Scott Atchison, Michigan Flashcard, provided an enclosure supporting a visitor information booth that would be funded by the DDA and staffed by Experience Grand Rapids. The location would be the corner of Pearl Street and Monroe Avenue.

10. Board Member Comment

Board members expressed their appreciation to Rich and the ASM team. Mr. Washington stated that ASM has the City's unwavering support and they have been talking about ways to partner in reactivating the community when the appropriate time comes. Chair Heacock expressed his appreciation of the Kent County Health Department for the wonderful work they are doing during this incredibly stressful time. Mr. Britt responded the past few weeks have been very busy, but nothing the County could not handle. The County is ready to step up and help where it can. Chair Heacock thanked Braden Graham and the Bluewater Technologies team for its assistance with production.

11. Adjournment

The meeting adjourned at 9:28 a.m.

Richard A. Winn, Recording Secretary

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

April 30, 2020

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**Financial Dashboard
Year-To-Date (10 Months)
April 30, 2020**

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	98	75	79	33	22	26
Attendance	722,874	520,000	510,841	303,196	184,000	217,297
Event Income	\$ 5,031,176	\$ 3,354,832	\$ 3,489,953	\$ 3,515,233	\$ 2,063,366	\$ 2,441,804
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	454	439	376	137	130	84
Attendance	575,055	599,720	464,125	113,134	127,210	84,300
Event Income	\$ 5,936,856	\$ 5,979,881	\$ 4,887,245	\$ 1,884,495	\$ 1,888,416	\$ 1,361,731
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 4,938,233	\$ 2,586,225	\$ 1,764,966
Capital/Repair/Replacement				(2,398,944)	(3,356,134)	(2,974,133)
Net - To/(From) on Fund Balance				\$ 2,539,289	\$ (769,909)	\$ (1,209,167)

*NOTES: (1):

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

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

	FY 2020				FY 2019
	7/1 - 4/30				
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 5,526,521	\$ 325,000	\$ 5,851,521	\$ 6,261,150	\$ 8,867,124
- Expenses - Facilities	(3,381,399)	(623,025)	(4,004,424)	(4,467,311)	(4,579,012)
- Base Management Fees	(149,386)	(29,877)	(179,263)	(179,969)	(176,440)
- Incentive Fee	-	-	-	(118,412)	(201,049)
Net Operating Income (Loss)	1,995,736	(327,902)	1,667,834	1,495,458	3,910,623
Parking	321,137	(31,073)	290,064	409,000	385,614
Pedestrian Safety	(82,159)	-	(82,159)	(97,400)	(130,605)
Net Proceeds (Cost) of VAA	2,234,714	(358,975)	1,875,739	1,807,058	4,165,632
DeVos Place Convention Center					
Operating - Revenues	4,951,047	13,000	4,964,047	6,697,333	7,357,133
- Expenses - Facilities	(5,610,322)	(897,193)	(6,507,515)	(6,672,635)	(7,218,640)
- Base Management Fees	(149,386)	(29,877)	(179,263)	(179,969)	(176,440)
- Incentive Fee	-	-	-	(241,526)	(151,831)
Net Operating Income (Loss)	(808,661)	(914,070)	(1,722,731)	(396,797)	(189,778)
Parking	1,068,822	(128,043)	940,779	1,285,730	1,344,426
Pedestrian Safety	(42,382)	-	(42,382)	(51,500)	(63,017)
Net Proceeds (Cost) of DVP	217,779	(1,042,113)	(824,334)	837,433	1,091,631
Other					
Revenues	484,772	204,750	689,522	685,750	656,587 ⁽³⁾
Expenses	(1,172,299)	(119,705)	(1,292,004)	(1,637,828)	(1,103,327)
Net Other	(687,527)	85,045	(602,482)	(952,078)	(446,740)
Total Net Proceeds/Operating	1,764,966	(1,316,043)	448,923	1,692,413	4,810,523
Capital/Repair Expenditures	(2,974,133)	(1,638,770)	(4,612,903)	(4,994,905) ⁽²⁾	(4,245,329)
Results Net of Capital/Repair Expenditures	\$ (1,209,167)	\$ (2,954,813)	\$ (4,163,980)	\$ (3,302,492)	\$ 565,194

Notes:

⁽¹⁾ Year-end estimate based on April actual and assumes no events from March 14th through 6/30/2020.

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

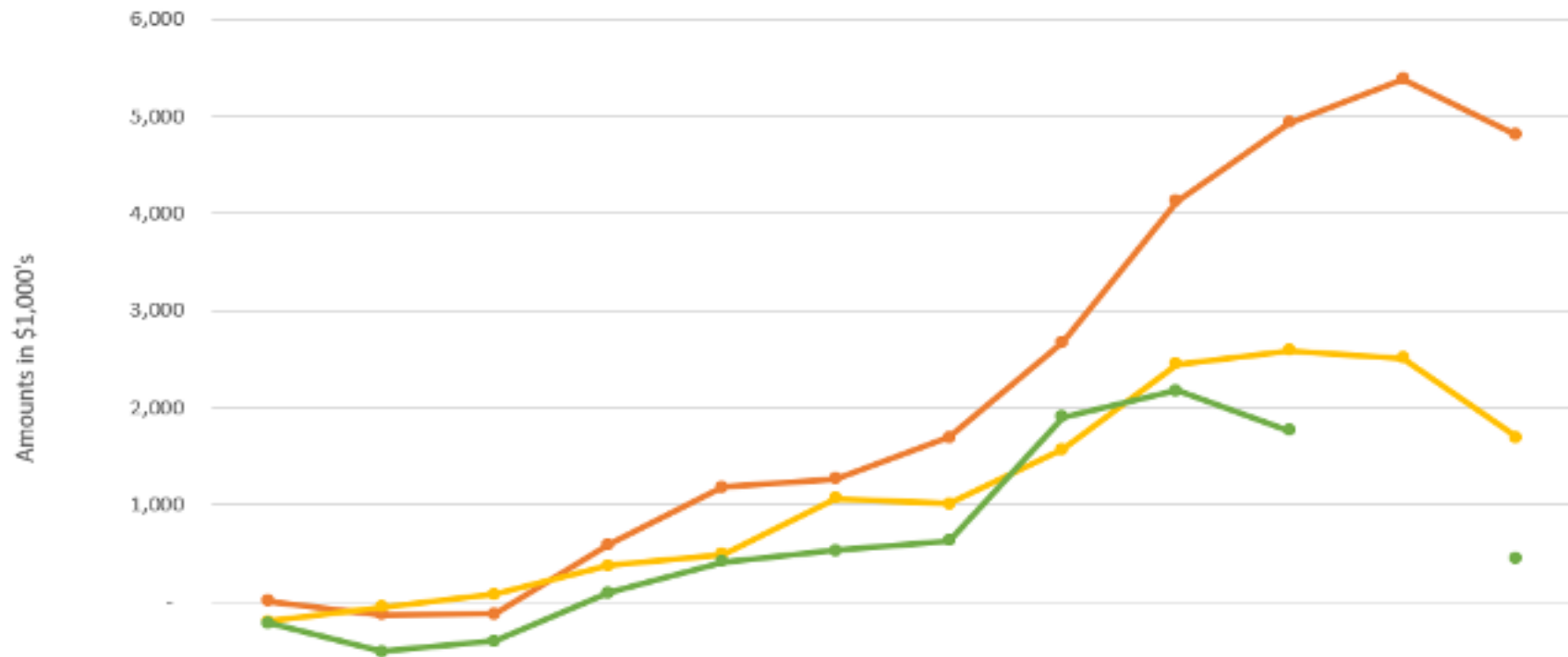
⁽³⁾ Excludes 4/4/19 deposit of \$5 million grant proceeds from State of Michigan.

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

	Annual			Year-To-Date		
	FY 2019 Final	FY 2020 Budget	Change Positive (Negative)	FY 2019 7/1-4/30	FY 2020 7/1 - 4/30	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 8,867,124	\$ 6,261,150	(29.4)	\$ 7,339,867	\$ 5,526,521	(24.7)
- Expenses - Facilities	(4,579,012)	(4,467,311)	2.4	(3,596,295)	(3,381,399)	6.0
- Base Management Fees	(176,440)	(179,969)	(2.0)	(147,033)	(149,386)	(1.6)
- Incentive Fee	(201,049)	(118,412)	41.1	-	-	-
Net Operating Income (Loss)	3,910,623	1,495,458	(61.8)	3,596,539	1,995,736	(44.5)
Parking	385,614	409,000	6.1	302,028	321,137	6.3
Pedestrian Safety	(130,605)	(97,400)	25.4	(91,771)	(82,159)	10.5
Net Proceeds (Cost) of VAA	<u>4,165,632</u>	<u>1,807,058</u>	<u>(56.7)</u>	<u>3,806,796</u>	<u>2,234,714</u>	<u>(41.3)</u>
DeVos Place Convention Center						
Operating - Revenues	7,357,133	6,697,333	(9.0)	5,970,671	4,951,047	(17.1)
- Expenses - Facilities	(7,218,640)	(6,672,635)	7.6	(5,659,784)	(5,610,322)	0.9
- Base Management Fees	(176,440)	(179,969)	(2.0)	(147,033)	(149,386)	(1.6)
- Incentive Fee	(151,831)	(241,526)	(59.0)	-	-	-
Net Operating Income (Loss)	(189,778)	(396,797)	(109.1)	163,854	(808,661)	(493.5)
Parking	1,344,426	1,285,730	(4.4)	1,155,592	1,068,822	(7.6)
Pedestrian Safety	(63,017)	(51,500)	18.3	(49,682)	(42,382)	14.7
Net Proceeds (Cost) of DVP	<u>1,091,631</u>	<u>837,433</u>	<u>(23.3)</u>	<u>1,269,764</u>	<u>217,779</u>	<u>(82.8)</u>
Other						
Revenues	656,587	685,750	4.4	481,412	484,772	0.7
Expenses	(1,103,327)	(1,637,828)	(48.4)	(619,739)	(1,172,299)	(89.2)
Net Other	(446,740)	(952,078)	(113.0)	(138,327)	(687,527)	(397.0)
Total Net Proceeds/Operating	4,810,523	1,692,413	(64.8)	4,938,233	1,764,966	(64.2)
Capital/Repair Expenditures	(4,245,329)	(4,994,905)	(17.7)	(2,398,944)	(2,974,133)	(24.0)
Results Net of Capital Expenditures	<u>\$ 565,194</u>	<u>\$ (3,302,492)</u>	<u>(484.3)</u>	<u>\$ 2,539,289</u>	<u>\$ (1,209,167)</u>	<u>(147.6)</u>

CAA Trends

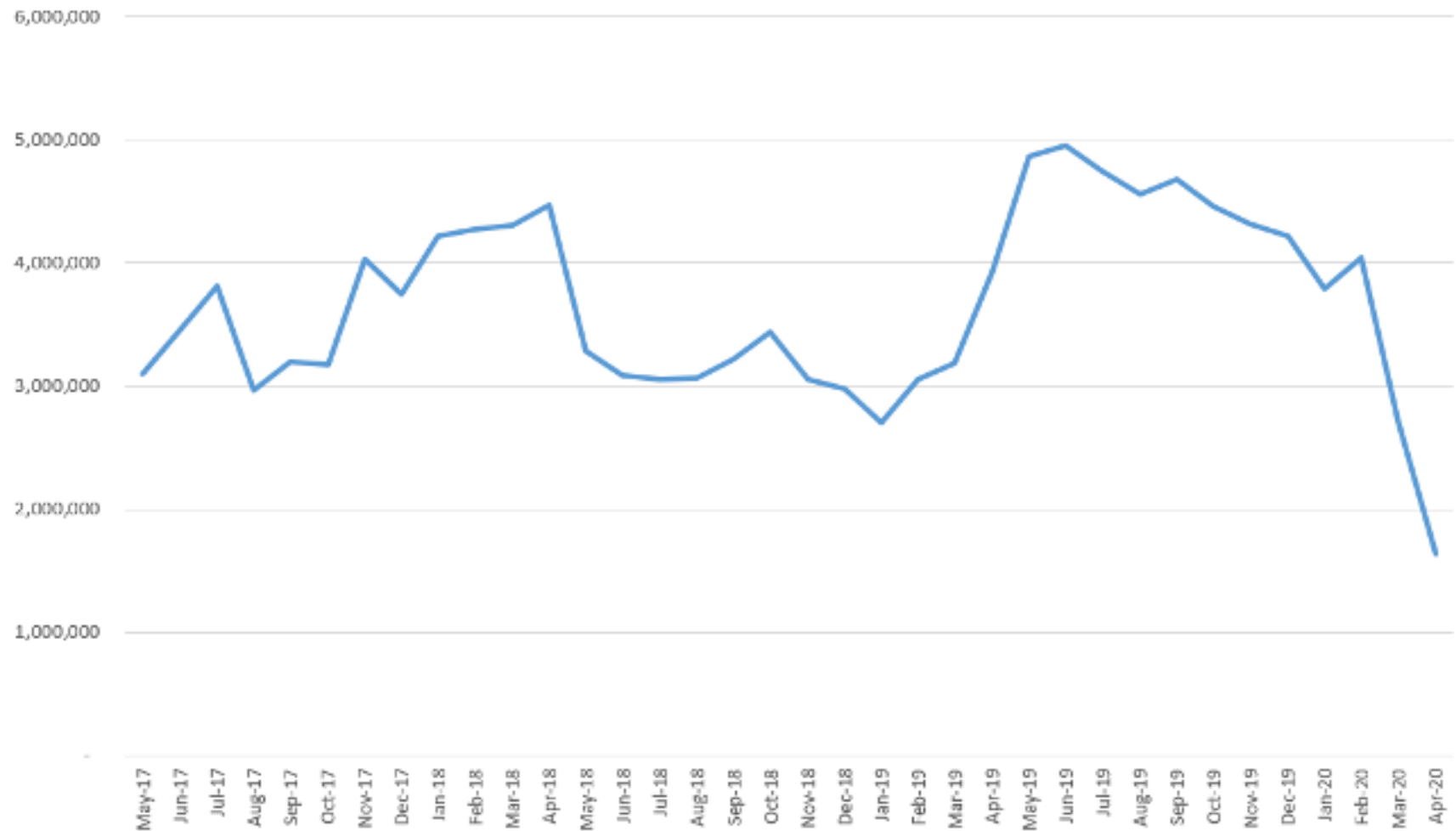
Monthly Net Operating Proceeds through April 30, 2020



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY19 Actual	4	(134)	(125)	590	1,177	1,267	1,697	2,675	4,129	4,937	5,389	4,810
FY20 Budget	(201)	(54)	73	372	486	1,063	1,007	1,567	2,448	2,586	2,512	1,692
FY20 Actual	(218)	(515)	(406)	95	414	530	632	1,904	2,179	1,765		449

Accumulative Net Proceeds by Month

Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Twenty-six concerts generated \$2,441,804 in event revenue, a decrease of (30.5%) from prior year (33 concerts) of \$3,515,233.
- Page 3 - Net proceeds of \$2,234,714 decreased by (41.3%) from prior year of \$3,806,796.

DeVos Place®

- Page 1 - Convention/trade show business generated \$1,361,731 in event revenue, a decrease of (27.7%) from prior year (attendance decreased from 113,134 to 84,300) of \$1,884,495.
- Page 3 - Net "proceeds" of \$217,779 decreased by (82.8%) from prior year Net Proceeds of \$1,269,764.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
April 30, 2020

	Annual			Actual		
	FY 2019 Final	FY 2020 Budget	Change Positive (Negative)	FY 2019 7/1-4/30	FY 2020 7/1-4/30	Change Positive (Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 580,352 ⁽¹⁾	\$ 614,750	5.9	\$ 412,909	\$ 416,703	0.9
Miscellaneous	76,235	71,000	(6.9)	68,503	68,069	(0.6)
	<u>656,587</u>	<u>685,750</u>	<u>4.4</u>	<u>481,412</u>	<u>484,772</u>	<u>0.7</u>
Expenses						
Marketing (CVB/Sports)	200,000	200,000	-	200,000	200,000	-
Diversity Initiative	231,066	275,000	(19.0)	24,764	139,891	464.9
Wages/Benefits	148,379	148,815	(0.3)	107,350	103,546	(3.5)
Professional Services	70,979	80,000	(12.7)	37,080	62,893	69.6
DID Assessment	62,616	64,500	(3.0)	62,616	65,284	4.3
Food & Beverage Repairs	14,095	40,000	(183.8)	-	-	-
Consulting Services	258,175	689,513 ⁽²⁾	(167.1)	104,865	532,446	407.7
Landscaping	26,134	25,000	4.3	21,409	22,406	4.7
Procurement of Art	26,904	30,000	(11.5)	26,214	2,105	(92.0)
Insurance	15,421	25,000	(62.1)	21,457	23,676	10.3
Supplies/Other	49,558	60,000	(21.1)	13,984	20,052	43.4
	<u>1,103,327</u>	<u>1,637,828</u>	<u>(48.4)</u>	<u>619,739</u>	<u>1,172,299</u>	<u>89.2</u>
Net Proceeds - Operating	<u>\$ (446,740)</u>	<u>\$ (952,078)</u>	<u>(113.1)</u>	<u>\$ (138,327)</u>	<u>\$ (687,527)</u>	<u>397.0</u>

Notes:

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

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

Grand Rapids-Kent County Convention/Arena Authority
Special Accounts
Amphitheater Project
Revenues/Expenses
4/4/19 to 4/30/20

Revenues:

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

(106,939)

Net Balance

<u>\$ 4,893,061</u>

NOTES:

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

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT FOR THE MONTH ENDED APRIL 30, 2020

Distribution:

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



An SMG Managed Facility

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	376	-	376	487	(111)
ATTENDANCE	464,125	-	464,125	664,570	(200,445)
DIRECT EVENT INCOME	2,475,767	-	2,475,767	3,295,276	(819,509)
ANCILLARY INCOME	1,867,346	-	1,867,346	2,598,699	(731,353)
OTHER EVENT INCOME	544,132	-	544,132	753,358	(209,226)
TOTAL EVENT REVENUE	4,887,245	-	4,887,245	6,647,333	(1,760,088)
TOTAL OTHER REVENUE	63,802	13,000	76,802	50,000	26,802
TOTAL OPERATING REVENUE	4,951,047	13,000	4,964,047	6,697,333	(1,733,286)
INDIRECT EXPENSES					
EXECUTIVE	188,292	55,424	243,716	247,123	3,407
FINANCE	216,923	71,128	288,051	298,865	10,814
MARKETING	145,199	29,884	175,083	175,312	229
OPERATIONS	1,211,621	248,504	1,460,125	1,674,871	214,746
EVENT SERVICES	1,458,115	281,238	1,739,353	1,437,688	(301,665)
BOX OFFICE	261,932	43,378	305,310	190,715	(114,595)
SALES	409,933	106,110	516,043	522,328	6,285
OVERHEAD	1,867,693	91,404	1,959,097	2,305,702	346,605
TOTAL OPERATING EXP.	5,759,708	927,070	6,686,778	6,852,604	165,826
NET REVENUE ABOVE EXPENSES	(808,661)	(914,070)	(1,722,731)	(155,271)	(1,567,460)
INCENTIVE FEE		-	0	241,526	241,526
NET OPERATING REVENUE OVER OPERATING EXPENSES	(808,661)	(914,070)	(1,722,731)	(396,797)	(1,325,934)

DeVos Place continues to be dark and not hosting any events.

General Manager

General Manager

Assistant General Manager

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

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

MONTH	April Actual	April Budget	April FY 2019
Number of Events	-	31	39
Attendance	-	41,600	47,791
Direct Event Income	(\$14,883)	\$278,836	\$245,522
Ancillary Income	(2,498)	235,091	248,405
Other Event Income	(15)	76,400	94,217
Other Operating Income	6,414	4,166	2,155
Indirect Expenses	(475,634)	(571,051)	(577,760)
Net Income	(\$486,616)	\$23,442	\$12,538

YTD	YTD 2020 Actual	YTD 2020 Budget	YTD 2019 Prior Year
Number of Events	376	439	454
Attendance	464,125	599,720	575,055
Direct Event Income	\$2,475,767	\$3,020,611	\$2,908,372
Ancillary Income	1,867,347	2,271,712	2,362,368
Other Event Income	544,132	687,558	666,116
Other Operating Income	63,801	41,660	33,816
Indirect Expenses	(5,759,708)	(5,710,510)	(5,806,817)
Net Income	(\$808,661)	\$311,031	\$163,855

EVENT INCOME

No events were hosted during the month. Adjustments are finalizing accruals from March.

ANCILLARY INCOME

No events were hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in ahead of budget and consistent with revised forecast.

DeVos Place
Income Statement
For the Ten Months Ended April 30, 2020

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$0	\$294,590	\$ (294,590)	\$291,846	\$2,796,620	\$3,236,861	\$ (440,241)	\$3,416,894
Service Revenue	0	263,864	(263,864)	260,184	2,836,109	2,899,256	(63,147)	2,992,482
Service Expenses	(14,883)	(279,618)	264,735	(306,508)	(3,156,962)	(3,115,506)	(41,456)	(3,501,004)
Total Direct Event Income	(14,883)	278,836	(293,719)	245,522	2,475,767	3,020,611	(544,844)	2,908,372
Ancillary Income								
F&B Concession	99	29,206	(29,107)	29,952	212,846	261,957	(49,111)	268,870
F&B Catering	0	63,090	(63,090)	102,594	554,977	661,670	(106,693)	776,924
Novelty Sales	0	8,400	(8,400)	1,502	43,397	45,200	(1,803)	30,298
Booth Cleaning	0	38,045	(38,045)	26,614	254,587	293,860	(39,273)	311,182
Telephone/Long Distance	0	-	-	0	113	650	(537)	675
Electrical Services	0	34,576	(34,576)	38,215	307,206	399,412	(92,206)	384,924
Audio Visual	0	29,624	(29,624)	21,021	231,085	290,344	(59,259)	287,004
Internet Services	(2,597)	13,635	(16,232)	9,703	96,458	129,775	(33,317)	112,050
Equipment Rental	0	18,515	(18,515)	18,804	166,678	188,844	(22,166)	190,441
Total Ancillary Income	(2,498)	235,091	(237,589)	248,405	1,867,347	2,271,712	(404,365)	2,362,368
Other Event Income								
Ticket Rebates(Per Event)	(15)	76,400	(76,415)	94,217	544,132	687,558	(143,426)	666,116
Total Other Event Income	(15)	76,400	(76,415)	94,217	544,132	687,558	(143,426)	666,116
Total Event Income	(17,396)	590,327	(607,723)	588,144	4,887,246	5,979,881	(1,092,635)	5,936,856
Other Operating Income								
Luxury Box Agreements	775	1,333	(558)	1,082	8,750	13,330	(4,580)	11,834
Advertising	1,333	1,000	333	0	9,333	10,000	(667)	0
Other Income	4,306	1,833	2,473	1,073	45,718	18,330	27,388	21,982
Total Other Operating Income	6,414	4,166	2,248	2,155	63,801	41,660	22,141	33,816
Adjusted Gross Income	(10,982)	594,493	(605,475)	590,298	4,951,047	6,021,541	(1,070,494)	5,970,671
Operating Expenses								
Salaries and Wages	243,286	359,752	(116,466)	384,739	4,118,941	3,597,520	521,421	4,108,406
Payroll Taxes and Benefits	163,580	105,577	58,003	111,548	936,557	1,055,770	(119,213)	910,583
Labor Allocations to Events	(115,611)	(216,387)	100,776	(257,893)	(2,602,278)	(2,163,870)	(438,408)	(2,765,491)
Net Salaries and Benefits	291,255	248,942	42,313	238,394	2,453,220	2,489,420	(36,200)	2,253,498
Contracted Services	0	23,692	(23,692)	33,406	369,444	236,920	132,524	391,658
General and Administrative	18,564	34,502	(15,938)	41,342	449,701	345,020	104,681	417,959
Operations	4,726	13,613	(8,887)	11,530	138,293	136,130	2,163	92,774
Repair and Maintenance	54,919	47,100	7,819	37,517	595,129	471,000	124,129	471,355
Operational Supplies	6,999	24,675	(17,676)	33,762	223,985	246,750	(22,765)	319,411
Insurance	13,679	20,463	(6,784)	20,072	237,732	204,630	33,102	222,081
Utilities	70,553	143,067	(72,514)	147,033	1,142,818	1,430,670	(287,852)	1,491,047
SMG Management Fees	14,939	14,997	(58)	14,703	149,386	149,970	(584)	147,033
Total Operating Expenses	475,634	571,051	(95,417)	577,760	5,759,708	5,710,510	49,198	5,806,817
Net Income(Loss) From Operatic	(486,616)	23,442	(510,058)	12,538	(808,661)	311,031	(1,119,692)	163,855
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(486,616)	23,442	(510,058)	12,538	(808,661)	311,031	(1,119,692)	163,855

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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	84	130	84,300	127,210	1,361,731	1,888,416
Consumer/Gated Shows	37	44	128,701	186,800	994,796	1,080,858
DeVos Performance Hall	121	141	195,690	219,800	1,544,915	1,832,930
Banquets	25	31	22,525	28,880	251,914	385,007
Meetings	79	84	21,095	26,710	618,984	684,272
Other	30	9	11,814	10,320	114,904	108,400
GRAND TOTALS	376	439	464,125	599,720	4,887,245	5,979,881

As Percentage of Overall

Convention/Trade Shows	22.34%	29.61%	18.16%	21.21%	27.86%	31.58%
Consumer/Gated Shows	9.84%	10.02%	27.73%	31.15%	20.35%	18.07%
Devos Performance Hall	32.18%	32.12%	42.16%	36.65%	31.61%	30.65%
Ballroom Exclusive	6.65%	7.06%	4.85%	4.82%	5.15%	6.44%
Meetings	21.01%	19.13%	4.55%	4.45%	12.67%	11.44%
Other	7.98%	2.05%	2.55%	1.72%	2.35%	1.81%

DeVos Place
Balance Sheet
As of April 30, 2020

ASSETS

Current Assets

Cash	2,579,783
Account Receivable	341,700
Prepaid Expenses	200,406

Total Current Assets		\$3,121,888
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Total Assets		\$3,121,888
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	(1,210)
Accrued Expenses	258,757
Deferred Income	158,831
Advanced Ticket Sales & Deposits	2,069,207

Total Current Liabilities		\$2,485,584
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Other Liabilities

Equity

Funds Remitted to CAA	(503,582)
Funds Received by CAA	103,000
Expenses Paid Direct by CAA	1,030,993
Beginning Balance Equity	814,555
Current Year Equity	(808,661)

Total Equity		\$636,305
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Total Liabilities and Equity		\$3,121,888
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of April 30, 2020

Current - Under 30 Days	
Food & Beverage	99
Ticketing	1,530
Merchandise	12,529
Decorating	-
Audio/Visual	-
Van Andel Arena	151,637
Operating	2,406
 Over 30 Days	 96,360
 Over 60 Days	 77,139
 Over 90 Days	
 Total Accounts Receivable	 341,700

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Net Revenue above Expenses	1,667,834	(1,722,731)	(54,897)	4,073,725
Benchmark++			1,050,000	1,050,000
Excess	1,667,834	(1,722,731)	(1,104,897)	3,023,725

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Base Fee	179,263	179,263	358,526	352,880
Incentive Fee				
Revenue	5,851,521	4,964,047	10,815,568	16,224,257
Benchmark Revenue	5,232,400	4,622,800	9,855,200	9,700,000
Revenue Excess	619,121	341,247	960,368	6,524,257
Incentive Fee **	-	-	-	352,880
Total SMG Management Fee	179,263	179,263	358,526	705,760

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

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

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

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

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



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE MONTH ENDED APRIL 30, 2020

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



Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Hope Parkin

Howard Feldman

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2020**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	79		79	94	(15)
ATTENDANCE	510,841		510,841	607,300	(96,459)
DIRECT EVENT INCOME	923,084		923,084	1,388,670	(465,586)
ANCILLARY INCOME	1,633,828		1,633,828	1,609,280	24,548
OTHER EVENT INCOME	933,041		933,041	869,100	63,941
TOTAL EVENT INCOME	3,489,953	-	3,489,953	3,867,050	(377,097)
TOTAL OTHER INCOME	2,036,568	325,000	2,361,568	2,394,100	(32,532)
TOTAL INCOME	5,526,521	325,000	5,851,521	6,261,150	(409,629)
INDIRECT EXPENSES					
EXECUTIVE	192,984	55,966	248,950	257,147	8,197
FINANCE	197,382	55,276	252,658	235,619	(17,039)
MARKETING	245,113	62,534	307,647	321,220	13,573
OPERATIONS	1,539,004	282,782	1,821,786	2,094,079	272,293
BOX OFFICE	136,213	42,656	178,869	296,573	117,704
LUXURY SEATING	-		-	-	-
SKYWALK ADMIN	48,330	8,796	57,126	54,100	(3,026)
OVERHEAD	1,171,759	144,892	1,316,651	1,388,542	71,891
TOTAL INDIRECT EXP.	3,530,785	652,902	4,183,687	4,647,280	463,593
NET REVENUE ABOVE EXPENSES	1,995,736	(327,902)	1,667,834	1,613,870	53,964
LESS INCENTIVE FEE			-	118,412	118,412
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,995,736	(327,902)	1,667,834	1,495,458	172,376

Comments:

The arena continues to be dark and not hosting events. Event revenue for the month was cleaning up a couple of balance sheet items.

DocuSigned by:



7ECB940AF00F405...
General Manager



Assistant General Manager

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

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

MONTH	April Actual	April Budget	April FY 2019
Number of Events	-	10	14
Attendance	-	55,300	105,476
Direct Event Income	\$880	\$60,960	\$263,582
Ancillary Income	32,727	110,988	324,821
Other Event Income	34	28,000	228,426
Other Operating Income	155,978	175,971	300,729
Indirect Expenses	(323,652)	(387,273)	(423,363)
Net Income	(\$134,033)	(\$11,354)	\$694,195

YTD	YTD 2020 Actual	YTD 2020 Budget	YTD 2019 Prior Year
Number of Events	79	90	98
Attendance	510,841	575,300	722,874
Direct Event Income	\$923,084	\$1,236,670	\$1,567,099
Ancillary Income	1,633,828	1,533,010	2,286,713
Other Event Income	933,041	785,100	1,177,364
Other Operating Income	2,036,568	2,018,160	2,308,691
Indirect Expenses	(3,530,785)	(3,872,730)	(3,743,328)
Net Income	\$1,995,736	\$1,700,210	\$3,596,539

EVENT INCOME

No events were hosted during the month of April, couple of minor adjustments made to settled events.

ANCILLARY INCOME

Small amount of F&B revenue related to Disney on Ice when it was determined the last day of the show had not been booked to revenue.

INDIRECT EXPENSES

Indirect expenses came in better than budget due to no events, however, a bit higher than forecast.

Van Andel Arena
Income Statement
For the Ten Months Ended April 30, 2020

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$1,011	\$123,960	(\$122,949)	\$374,573	\$1,790,153	\$2,129,670	(\$339,517)	\$2,344,035
Service Revenue	0	120,000	(120,000)	480,768	2,162,696	1,602,000	560,696	3,140,704
Service Expenses	(131)	(183,000)	182,869	(591,759)	(3,029,765)	(2,495,000)	(534,765)	(3,917,640)
Total Direct Event Income	880	60,960	(60,080)	263,582	923,084	1,236,670	(313,586)	1,567,099
Ancillary Income								
F&B Concession	32,050	99,133	(67,083)	258,463	1,337,043	1,331,970	5,073	1,888,065
F&B Catering	677	8,735	(8,058)	30,444	138,279	113,458	24,821	198,531
Novelty Sales	0	3,120	(3,120)	35,503	158,109	87,582	70,527	199,432
Booth Cleaning	-	-	-	356	802	-	802	635
Audio Visual	-	-	-	55	95	-	95	550
Other Ancillary	-	-	-	-	(500)	-	(500)	(500)
Total Ancillary Income	32,727	110,988	(78,261)	324,821	1,633,828	1,533,010	100,818	2,286,713
Other Event Income								
Ticket Rebates(Per Event)	34	28,000	(27,966)	228,426	933,041	785,100	147,941	1,177,364
Total Other Event Income	34	28,000	(27,966)	228,426	933,041	785,100	147,941	1,177,364
Total Event Income	33,641	199,948	(166,307)	816,829	3,489,953	3,554,780	(64,827)	5,031,176
Other Operating Income								
Luxury Box Agreements	97,606	117,888	(20,282)	237,736	1,397,907	1,437,330	(39,423)	1,640,892
Advertising	56,680	52,083	4,597	56,680	550,488	520,830	29,658	549,585
Other Income	1,692	6,000	(4,308)	6,313	88,173	60,000	28,173	118,214
Total Other Operating Income	155,978	175,971	(19,993)	300,729	2,036,568	2,018,160	18,408	2,308,691
Adjusted Gross Income	189,619	375,919	(186,300)	1,117,558	5,526,521	5,572,940	(46,419)	7,339,867
Operating Expenses								
Salaries and Wages	98,077	197,102	(99,025)	234,890	1,891,645	1,971,020	(79,375)	2,098,738
Payroll Taxes and Benefits	147,473	57,957	89,516	84,135	427,798	579,570	(151,772)	414,936
Labor Allocations to Events	(24,909)	(87,885)	62,976	(161,533)	(850,251)	(878,850)	28,599	(1,162,080)
Net Salaries and Benefits	220,641	167,174	53,467	157,492	1,469,192	1,671,740	(202,548)	1,351,594
Contracted Services	0	23,800	(23,800)	29,355	231,630	238,000	(6,370)	255,496
General and Administrative	23,061	33,598	(10,537)	36,638	419,287	335,980	83,307	423,865
Operations	1,533	7,899	(6,366)	5,589	45,448	78,990	(33,542)	56,178
Repair and Maintenance	12,756	30,875	(18,119)	29,098	171,042	308,750	(137,708)	266,941
Operational Supplies	4,708	21,558	(16,850)	29,822	204,102	215,580	(11,478)	223,093
Insurance	5,986	14,739	(8,753)	28,394	179,589	147,390	32,199	203,765
Utilities	40,029	72,633	(32,604)	92,272	661,109	726,330	(65,221)	815,363
SMG Management Fees	14,939	14,997	(58)	14,703	149,386	149,970	(584)	147,033
Total Operating Expenses	323,652	387,273	(63,621)	423,363	3,530,785	3,872,730	(341,945)	3,743,328
Net Income(Loss) From Operations	(134,033)	(11,354)	(122,679)	694,195	1,995,736	1,700,210	295,526	3,596,539
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(134,033)	(11,354)	(122,679)	694,195	1,995,736	1,700,210	295,526	3,596,539

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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	9	8	48,123	45,000	197,387	187,464
Sporting Event	2	7	12,606	44,200	199,934	385,477
Concert	26	22	217,297	184,000	2,441,804	2,063,366
Team Home Games	31	34	180,768	210,800	224,780	466,072
Other	11	4	52,047	36,000	426,048	252,453
GRAND TOTALS	79	75	510,841	520,000	3,489,953	3,354,832

As Percentage of Overall

Family Show	11.39%	10.67%	9.42%	8.65%	5.66%	5.59%
Sporting Event	2.53%	9.33%	2.47%	8.50%	5.73%	11.49%
Concert	32.91%	29.33%	42.54%	35.38%	69.97%	61.50%
Team Home Games	39.24%	45.33%	35.39%	40.54%	6.44%	13.89%
Other	13.92%	5.33%	10.19%	6.92%	12.21%	7.53%

Van Andel Arena
Balance Sheet
As of April 30, 2020

ASSETS

Current Assets

Cash	11,889,400
Account Receivable	215,738
Prepaid Expenses	106,646

Total Current Assets	\$12,211,784	
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Total Assets	\$12,211,784	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	94,621
Accrued Expenses	237,172
Deferred Income	965,888
Advanced Ticket Sales & Deposits	11,794,997

Total Current Liabilities	\$13,092,677	
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Other Liabilities

Equity

Funds Remitted to CAA	(4,182,536)
Funds Received by CAA	662,000
Expenses Paid Direct by CAA	577,797
Beginning Balance Equity	66,110
Current Year Equity	1,995,736

Total Equity	(\$880,893)	
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Total Liabilities and Equity	\$12,211,784	
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of April 30, 2020

Current - Under 30 Days	
Food & Beverage	-
Ticketing	322,480
Merchandise	-
Permanent Advertising	-
DeVos Place	(151,637)
Operating	44,895
 Over 30 Days	
 Over 60 Days	
 Over 90 Days	
 Total Accounts Receivable	 215,738

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Net Revenue above Expenses	1,667,834	(1,722,731)	(54,897)	4,073,725
Benchmark++			1,050,000	1,050,000
Excess	1,667,834	(1,722,731)	(1,104,897)	3,023,725

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Audited
Base Fee	179,263	179,263	358,526	352,880
Incentive Fee				
Revenue	5,851,521	4,964,047	10,815,568	16,224,257
Benchmark Revenue	5,232,400	4,622,800	9,855,200	9,700,000
Revenue Excess	619,121	341,247	960,368	6,524,257
Incentive Fee **	-	-	-	352,880
Total SMG Management Fee	179,263	179,263	358,526	705,760

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

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

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

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

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



June 2, 2020

Good evening –

At the last CAA board meeting we reviewed two FY21 budget scenarios – one assuming return to normalcy as of July 1 and one assuming no activity for the budget year. The board consensus was that the post-Covid activity would be somewhere in between the two extremes presented.

To help the board meet its obligation of adopting a FY21 budget at its June meeting, I asked an ad hoc subcommittee to prepare a FY21 budget for the board's consideration. The subcommittee included Rick Winn, Lew Chamberlain, Jay Preston, and me. We were very ably staffed by our Executive Director Rich MacKeigan, the CAA finance lead Bob White and the ASM Global finance lead Chris Machuta.

The Subcommittee adopted the following precepts and assumptions –

A. Precepts:

1. The CAA was formed under State law to create jobs and economic activity in Kent County and Grand Rapids by owning and operating facilities that promote convention business and tourism. Covid has not changed the CAA mission.
2. Now more than ever it is vital that the CAA achieve its mission and, as the harm caused by the current crisis is abated, be prepared to fully utilize our facilities to help create jobs and economic activity.
3. While Covid has caused the CAA to close its facilities the closure is temporary, and the use of CAA facilities will return to normal (or near normal) in the future. There are ranges in estimates where this could be as soon as twelve months or extend further until a vaccine is developed which can take up to four years. Based on some of the expectations around GDP growth, Industry perspectives around recovery and the return to work guidance, we believe that a two year budget cycle be analyzed, which would reflect a full recovery occurring towards the end of the fiscal year ending June 30, 2022.
4. The CAA is in a unique position compared to other arena's and convention centers due to the strong historic performance and management of the facilities which has generated \$25 million of cash reserves without the need for any special funding to support its historic operations.
5. Budgeting will be based on our best estimates of possible outcomes but will have conservative estimates with respect to determining revenues.
6. In addition to a base budget with our best estimates, given the uncertainty around the return to work and impacts from federal, state and local governments on our ability to operate and conduct large events, we will consider additional costs/activities that can be approved on an as needed basis to speed up the return to a more normal operating team. We will also consider various cost/capital actions that can be taken if necessary to preserve cash.
7. While the budget will be fiscally conservative, it will include aggressive measures for marketing and sales to build a strong pipeline of opportunities when we return. We will also examine ways to reimagine the utilization of our facilities during and after the Covid closures. Strong re-emergence is essential because the CAA can be a leader in the County/City/Region revitalization. We can take advantage over similar Arena/Convention centers to the competitive advantage our cash reserves provide us.



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



DeVos Place®
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Grand Rapids, MI 49503-2233
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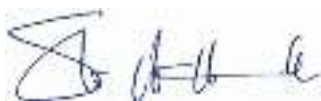
B. Operating Budget Assumptions:

1. At the June board meeting we will ask for the adoption of the FY21 budget. We will, however, present a special rolling 2-year Covid projection that goes beyond the FY21 budget.
2. We will assume no substantial revenue through December 31, 2020.
3. We will assume some revenue - 25% of the norm -- beginning January 1, 2021.
4. We will assume more revenue – 75% of the norm – beginning September 1, 2021.
5. We will assume full revenue (acknowledging the new reality) as of January 1, 2022.
6. Management will determine the specifics, but we assume the need to continue essential services required for the CAA to emerge strongly from the crisis, which include leadership, sales, box office and facilities. Also essential to future success are the continued contributions to EXGR/Sports Commission, which help aid the overall sales mission of the venues.
7. We will ask management to Identify costs that could be required to ramp up operations sooner if required and conversely, costs that may be required to be eliminated if the recovery is not on our current estimated recovery.
8. We will continue to review and update the forecast quarterly

C. Capital Budget Assumptions:

1. We have two key priorities to balance -- conserving needed cash for the unknown duration and severity of the Covid crisis and taking advantage of the ability to perform needed repairs/maintenance/improvements that can be conveniently done while facilities are closed.
2. Recommendation for 2020 Capital Plan - complete the 4 major capital projects listed by management – but delay other capital projects to preserve cash until we can better predict the future
3. Create a capital prioritization plan for future periods whereby we can add capital projects as we gain confidence in our ability to generate revenues

Yours truly,




Van Andel Arena®
130 Fulton West
Grand Rapids, MI 49503-2601
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DEVOS PLACE

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



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

From: Robert J. White

Date: June 1, 2020

**Re: Convention/Arena Authority (CAA)
Fiscal Year 2021 Budget Recommendation**

On May 1st, the CAA Board reviewed two alternative Preliminary Budgets for FY2021. These alternatives included assumption of opening all facilities on July 1, 2020 and, keeping facilities closed all of the next fiscal year, not opening until July 1, 2021.

In the interim month, the Budget plan was revised to assume closure for the first six months with a phased re-opening beginning January 1, 2021.

Under this scenario the following tables are summarized as follows:

Table A provides a summary of the facilities manager (ASM) budget documents submitted under separate cover. Based on ASM's most recent "budget roll", the current year forecast has been updated to a net operating loss of \$54,897. Funding, requested for FY2021, would generate a net loss of \$6,301,737.

Table B provides a summary of the CAA administrative budget request. 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 ASM 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.

The Fiscal year 2021 Consolidated Income Statement (Table C) forecasts a net operating loss of \$6,796,821. This loss, taken together with a recommended Capital Account spending request of \$8,035,287, (includes state grant – amphitheater project of \$4.9 million) would reduce Unrestricted Fund Balance to \$10.3 million by June 30, 2021.

Table D has been included along with the basic Fiscal Year FY2021 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.

FY2022 Forecast – Tables A, D and E have been reformatted to include a preliminary forecast for the next “Fully Open” fiscal year. In this scenario, the “Net Operating Proceeds” would total a negative \$.2 million. With anticipated Capital spending of \$2 million, Unrestricted Fund Balance would be reduced to \$8.1 million (June 30, 2022).

Board actions requested – A) Approval of the FY2021 ASM - DeVos Place and Van Andel Arena operating budgets, B) the ASM recommended FY2021 capital budget, C) Approval of the recommended FY2021 facility parking rates (page 3) and D) the FY2021 Consolidated Operating/Capital Budget.

Richard MacKeigan, Chris Machuta, Sue Waddell, and I participated in preparation of the recommended budget. We are prepared to answer any questions which may arise from a review of this material.

Table A
Grand Rapids-Kent County Convention/Arena Authority
SMG Facilities Budget
Fiscal Years Ending June 30, 2019 - 2021

	FY 2019	FY 2020		FY 2021	FY 2022
	Actual	Budget	Estimate	Recommendation	Forecast
Van Andel Arena					
Operating - Revenues	\$ 8,867,124	\$ 6,261,150	\$ 5,851,521	\$ 855,248	\$ 4,523,904
- Expenses - Facilities	(4,579,012)	(4,467,311)	(4,004,424)	(3,161,016)	(4,174,394)
- Management Fees	(176,440)	(179,969)	(179,263)	(182,848)	(186,504)
- Incentive Fees	(201,049)	(118,412)	-	-	-
Net Operating Income	<u>3,910,623</u>	<u>1,495,458</u>	<u>1,667,834</u>	<u>(2,488,616)</u>	<u>163,006</u>
DeVos Place					
Operating - Revenues	7,357,133	6,697,333	4,964,047	975,759	5,015,000
- Expenses - Facilities	(7,218,640)	(6,672,635)	(6,507,515)	(4,606,032)	(5,980,774)
- Management Fees	(176,440)	(179,969)	(179,263)	(182,848)	(186,504)
- Incentive Fees	(151,831)	(241,526)	-	-	-
Net Operating Income/(Loss)	<u>(189,778)</u>	<u>(396,797)</u>	<u>(1,722,731)</u>	<u>(3,813,121)</u>	<u>(1,152,278)</u>
Net Available to CAA:					
Van Andel Arena	3,910,623	1,495,458	1,667,834	(2,488,616)	163,006
DeVos Place	(189,778)	(396,797)	(1,722,731)	(3,813,121)	(1,152,278)
	<u>\$ 3,720,845</u>	<u>\$ 1,098,661</u>	<u>\$ (54,897)</u>	<u>\$ (6,301,737)</u>	<u>\$ (989,272)</u>

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2019-2021

	<u>FY2019</u>	<u>FY 2020</u>		<u>FY 2021</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:				
Facility Operations	\$ 3,720,845	\$ 1,098,661	\$ (54,897)	\$ (6,301,737)
Utility Reimbursement	2,342,708	2,392,200	1,891,085	1,644,906
Transfers from SMG	6,063,553	3,490,861	1,836,188	(4,656,831)
State Grant	\$ -	\$ -	\$ 106,939	\$ 4,893,061
DeVos Place Parking ⁽¹⁾	1,644,741	1,570,000	1,201,279	470,000
VanAndel Parking ⁽¹⁾	385,614	409,000	290,064	234,000
Interest ⁽²⁾	530,352	564,750 ⁽²⁾	571,453	140,000
Miscellaneous	126,235	121,000	118,069	58,022
Total Revenues	8,750,495	6,155,611	4,123,992	1,138,252
Expenditures:				
Utilities ⁽⁴⁾	2,342,708	2,392,200	1,891,085	1,644,906
Other Operating ⁽⁵⁾	534,166	498,170	426,814	162,000
Administration/Other ⁽⁶⁾	1,063,098	1,572,828	1,250,231	1,095,106
Facility Maintenance	3,338,156	-	-	-
Capital	907,173	4,994,905	4,719,842	8,035,287 ⁽³⁾
Total Expenditures	8,185,301	9,458,103	8,287,972	10,937,299
Net Excess (Deficit)	<u>\$ 565,194</u>	<u>\$ (3,302,492)</u>	<u>\$ (4,163,980)</u>	<u>\$ (9,799,047)</u>

Notes: See Following Pages

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2021 Recommendation

Notes:

⁽¹⁾ DeVos Place Parking Rates:	FY 2019	FY 2020	FY 2021
30 Minutes	\$ 1.50	\$ 1.50	\$ 1.50
Daily Maximum	15.00	15.00	15.00
Vehicles with Trailers: Courtesy Validations (2 Hr. Limit) ASM Designated Only	-	-	NC*
Event	10.00	10.00	10.00
Weekly (ASM Designated Only)**	-	-	14.00
Monthly -Public	154.00	154.00	154.00
-Reserved Premium	58.00	58.00	58.00
-County/SMG/ASM (O+M)	65.25	55.25	62.78
Van Andel Arena Parking Rates:			
Event	\$ 12.00	\$ 12.00	\$ 12.00
Non-Event Coin Unit	12.00	12.00	12.00
Monthly -Public	112.00	112.00	112.00
* No Charge			
** Fourteen (14) Day Notice Requirement			
⁽²⁾ \$29.9 million (2/29/20 pool balance) in invested funds at 0.5%.			
⁽³⁾ FY 2021 Eligible Projects:			
Van Andel Arena®			
Upper Bowl Seating	\$ 750,000		
Total VAA	750,000		
DeVos Place®			
Building Management Software-HVAC	150,000		
Exterior Welsh Granite & Steps	300,000		
Fly Rail System	1,450,000		
Total DVP	1,900,000		
Both Venues			
Box Office Speakers	60,000		
Carryover (FY20) Projects			
Projection Theater Updates	200,000		
Fly Rail System	202,226		
New Pads for Banquet Chairs	30,000		
Total Carryover	432,226		
Amphitheater - State Grant	4,893,061		
Total FY 2021 Capital Budget	\$ 8,035,287		

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Detail of Expenditure Estimates
FY 2019-2021

	FY 2019	FY 2020		FY 2021
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Utilities⁽⁴⁾:				
Electricity	\$ 1,593,238	\$ 1,618,000	\$ 1,235,429	\$ 1,052,280
Steam/Gas	602,690	625,600	511,254	506,595
Water/Sewer	146,780	148,600	144,402	86,031
	<u>2,342,708</u>	<u>2,392,200</u>	<u>\$ 1,891,085</u>	<u>\$ 1,644,906</u>
Other Operating⁽⁵⁾:				
Parking Management	300,315	284,270	\$ 260,500	\$ 75,000
Pedestrian Safety	193,622	148,900	124,541	22,000
Repairs - F&B	14,095	40,000	16,773	40,000
Landscaping	26,134	25,000	25,000	25,000
	<u>534,166</u>	<u>498,170</u>	<u>\$ 426,814</u>	<u>\$ 162,000</u>
Administration/Other⁽⁶⁾:				
Wages	113,196	111,084	\$ 111,084	\$ 112,300
Benefits	35,183	37,731	37,731	28,806
Accounting/Audit	58,373	50,000	53,184	55,000
Legal Services	12,606	30,000	13,286	30,000
DID Assessment ^(A)	62,616	64,500	65,284	33,000
Consulting Services	258,175	689,513 **	584,038	200,000 *
Insurance	15,421	25,000	23,676	26,000
Marketing - CVB/WMSC	200,000	200,000	200,000	200,000
Diversity Initiative	231,066	275,000	139,891	100,000
COVID-19 Preparedness Plan	-	-	-	300,000
Procurement of Art (ArtPrize)	26,904	30,000	2,105	-
Other	49,558	20,000	19,952	10,000
Contingent	-	40,000	-	-
	<u>\$ 1,063,098</u>	<u>\$ 1,572,828</u>	<u>\$ 1,250,231</u>	<u>\$ 1,095,106</u>

Notes:

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

*SMG-\$55,159 and \$144,891-Proof of Concept and general engineering.

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

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2019-2021

		FY 2019	FY 2020		FY 2021
		<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:					
Event	- VanAndel Arena	\$ 1,828,795	\$ 1,388,670	\$ 923,084	\$ 166,258
	- DeVos Place	3,450,565	3,295,276	2,475,767	520,660
Ancillary	- VanAndel Arena	2,592,010	1,609,280	1,633,828	228,632
	- DeVos Place	2,921,949	2,598,699	1,867,346	369,479
Other	- VanAndel Arena	4,446,319	3,263,200	3,294,609	460,358
	- DeVos Place	984,619	803,358	620,934	85,620
	-Administration	126,235	121,000	118,069	58,022
Parking	- VanAndel Arena	385,614	409,000	290,064	234,000
	- DeVos Place	<u>1,644,741</u>	<u>1,570,000</u>	<u>1,201,279</u>	<u>470,000</u>
		<u>18,380,847</u>	<u>15,058,483</u>	<u>12,424,980</u>	<u>2,593,029</u>
Operating Expense / Appropriations:					
Facility Operations					
	- VanAndel Arena	4,579,012	4,467,311	4,004,424	3,161,016
	- DeVos Place	7,218,640	6,672,635	6,507,516	4,606,032
	- Management	352,880	359,938	358,526	365,696
	- Incentive	352,880	359,938	-	-
	- Parking/Maintenance	534,166	498,170	426,814	162,000
Other Operating		3,338,156	-	-	-
Administration/Other		<u>1,063,098</u>	<u>1,572,828</u>	<u>1,250,231</u>	<u>1,095,106</u>
		<u>17,438,832</u>	<u>13,930,820</u>	<u>12,547,511</u>	<u>9,389,850</u>
Operating Income		942,015	1,127,663	(122,531)	(6,796,821)
Non-Operating Revenue:					
Interest/Capital Contribution		530,352	564,750	678,392	5,033,061
Transfer (to) from Capital Acct.		<u>(907,173)</u>	<u>(4,994,905)</u>	<u>(4,719,842)</u>	<u>(8,035,287)</u>
		<u>(376,821)</u>	<u>(4,430,155)</u>	<u>(4,041,450)</u>	<u>(3,002,226)</u>
Net Income (Loss)		565,194	(3,302,492)	(4,163,981)	(9,799,047)
Fund Balance, beg. of yr.		23,703,791	24,268,984 *	24,268,984	20,105,003 *
Fund Balance, end of yr.		\$ 24,268,985	\$ 20,966,492 *	\$ 20,105,003	\$ 10,305,956 *

*Excludes the recently-deposited \$5,000,000 state grant proceeds.

Table D
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
FY 2019-2021 Actual/Estimate
FY 2021 Recommendation

	FY 2019	FY 2020		FY 2021	FY 2022
	Actual	Budget	Estimate	Recommendation	Forecast
Van Andel Arena					
Operating - Revenues	\$ 8,867,124	\$ 6,261,150	\$ 5,851,521	\$ 855,248	\$ 4,523,904
- Expenses - Facilities	(4,579,012)	(4,467,311)	(4,004,424)	(3,161,016)	(4,174,394)
- Management Fees	(176,440)	(179,969)	(179,263)	(182,848)	(186,504)
- Incentive Fee	(201,049)	(118,412)		-	-
Net Operating Income (Loss)	3,910,623	1,495,458	1,667,834	(2,488,616)	163,006
Parking	385,614	409,000	290,064	234,000	309,000
Pedestrian Safety	(130,605)	(97,400)	(82,159)	(13,700)	(65,000)
Net Proceeds (Cost) of VAA	4,165,632	1,807,058	1,875,739	(2,268,316)	407,006
DeVos Place Convention Center					
Operating - Revenues	7,357,133	6,697,333	4,964,047	975,759	5,015,000
- Expenses - Facilities	(7,218,640)	(6,672,635)	(6,507,515)	(4,606,032)	(5,980,774)
- Management Fees	(176,440)	(179,969)	(179,263)	(182,848)	(186,504)
- Incentive Fee	(151,831)	(241,526)	-	-	-
Net Operating Loss	(189,778)	(396,797)	(1,722,731)	(3,813,121)	(1,152,278)
Parking	1,344,426	1,285,730	940,779	395,000	1,050,000
Pedestrian Safety	(63,017)	(51,500)	(42,382)	(8,300)	(45,000)
Net Proceeds (Cost) of DVP	1,091,631	837,433	(824,334)	(3,426,421)	(147,278)
Other					
Revenues					
Interest	530,352	564,750	571,453	140,000	172,000
Miscellaneous	126,235	121,000	225,008	4,951,083	118,069
	656,587	685,750	796,461	5,091,083	290,069
Expenses					
Administration	(1,063,098)	(1,572,828)	(1,250,231)	(1,095,106)	(683,265)
Other Operating	(40,229)	(65,000)	(41,773)	(65,000)	(65,000)
	(1,103,327)	(1,637,828)	(1,292,004)	(1,160,106)	(748,265)
Net Other	(446,740)	(952,078)	(495,543)	3,930,977	(458,196)
Total Net Proceeds/Operating	4,810,523	1,692,413	555,862	(1,763,760)	(198,468)
Capital Expenditures	(4,245,329)	(4,994,905)	(4,719,842)	(8,035,287)	(2,000,000)
Results Net of Capital Expenditures	\$ 565,194	\$ (3,302,492)	\$ (4,163,980)	\$ (9,799,047)	\$ (2,198,468)

Table E
Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2013 through 2021
May 26, 2020
(In Thousands)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Est. FY 2020	Rec. FY 2021	Forecast FY 2022
VAA - Net Proceeds	\$ 1,793	\$ 532	\$ 1,610	\$ 1,980	\$ 2,865	\$ 2,338	\$ 4,367	\$ 1,876	\$ (2,268)	\$ 407
DVP - Net Proceeds	784	445	908	1,625	1,465	1,441	1,243	(824)	(3,426)	(147)
SMG Incentive Fees	(331)	-	(344)	(344)	(347)	(353)	(353)	-	-	-
Other-Net Proceeds	<u>(313) ⁽¹⁾</u>	<u>(456)</u>	<u>(308)</u>	<u>(565)</u>	<u>(442)</u>	<u>(516)</u>	<u>(447)</u>	<u>(496)</u>	<u>3,931</u>	<u>(458)</u>
Total Net Operating	1,933	521	1,866	2,696	3,541	2,910	4,810	556	(1,763)	(198)
Capital	<u>(962)</u>	<u>(2,565)</u>	<u>(1,130)</u>	<u>(2,361)</u>	<u>(2,360)</u>	<u>(2,618)</u>	<u>(4,245)</u>	<u>(4,720)</u>	<u>(8,035)</u>	<u>(2,000)</u>
Transfer To/(From) Fund Balance	<u>971</u>	<u>(2,044)</u>	<u>736</u>	<u>335</u>	<u>1,181</u>	<u>292</u>	<u>565</u>	<u>(4,164)</u>	<u>(9,798)</u>	<u>(2,198)</u>
Fund Balance, End of Year	<u><u>\$ 23,204</u></u>	<u><u>\$ 21,160</u></u>	<u><u>\$ 21,896</u></u>	<u><u>\$ 22,230</u></u>	<u><u>\$ 23,411</u></u>	<u><u>\$ 23,703</u></u>	<u><u>\$ 24,268</u></u>	<u><u>\$ 20,104</u></u>	<u><u>\$ 10,306</u></u>	<u><u>\$ 8,108</u></u> ⁽¹⁾

Notes:

⁽¹⁾ Minimum fund balance, below which budget approvals are City/County oversight, is \$3.7 million at 6/30.

DEVOS PLACE



DE VOS PLACE & VAN ANDEL ARENA

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2021**

Distribution:

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



DeVos Place
Fiscal Year Ending June 30, 2021
Lead Income Statement

Event Income	
	Total
Direct Event Income	
Rental Income	594,479
Service Income	(73,819)
Service Expenses	-
Total Direct Event Income	<u>520,660</u>
Ancillary Income	
F & B Concessions	43,643
F & B Catering	124,971
Novelty Sales	1,435
Booth Cleaning	48,218
Telephone/Long Distance	50
Electrical Services	53,735
Audio Visual	47,278
Internet Services	22,912
Equipment Rental	<u>27,237</u>
Total Ancillary Income	<u>369,479</u>
Other Event Income	
Ticket Rebates (Per Event)	<u>37,620</u>
Total Other Event Income	<u>37,620</u>
Total Event Income	<u>927,759</u>
Other Operating Income	<u>48,000</u>
Adjusted Gross Income	<u>975,759</u>
Operating Expenses	
Employee Salaries and Wages	1,773,521
Benefits	456,111
Less: Event Labor Allocations	<u>(521,046)</u>
Net Employee Wages and Benefits	1,708,586
Contracted Services	144,906
General and Administrative	288,563
Operations	150,520
Repair & Maintenance	635,850
Supplies	244,252
Insurance	254,517
Utilities	1,178,838
SMG Management Fees	<u>182,850</u>
Total Operating Expenses	<u>4,788,880</u>
Net Income (Loss) From Operations	<u><u>(3,813,121)</u></u>
Other Income (Expenses)	<u></u>
Net Income After Other Income (Expenses)	<u><u>(3,687,977)</u></u>

Van Andel Arena
Fiscal Year Ending June 30, 2021
Lead Income Statement

Event Income	Total
Direct Event Income	
Rental Income	307,258
Service Income	232,750
Service Expenses	(373,750)
Total Direct Event Income	<u>166,258</u>
Ancillary Income	
F & B Concessions	200,593
F & B Catering	16,219
Novelty Sales	11,820
Total Ancillary Income	<u>228,632</u>
Other Event Income	
Ticket Rebates (Per Event)	<u>112,125</u>
Total Other Event Income	<u>112,125</u>
Total Event Income	<u>507,015</u>
Other Operating Income	<u>348,233</u>
Adjusted Gross Income	<u>855,248</u>
Operating Expenses	
Employee Salaries and Wages	970,278
Benefits	224,270
Less: Event Labor Allocations	
Net Employee Wages and Benefits	<u>1,194,548</u>
Contracted Services	144,900
General and Administrative	307,372
Operations	91,124
Repair & Maintenance	369,562
Supplies	242,421
Insurance	148,079
Utilities	663,010
SMG Management Fees	182,848
Total Operating Expenses	<u>3,343,864</u>
Net Income (Loss) From Operations	<u>(2,488,616)</u>
Other Income (Expenses)	
Net Income After Other Income (Expenses)	<u>(2,488,616)</u>

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2020 Forecast
Net Revenue above Expenses	(2,488,616)	(3,813,121)	(6,301,737)	(54,897)
Benchmark++			1,050,000	1,050,000
Excess	(2,488,616)	(3,813,121)	(7,351,737)	(1,104,897)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	182,848	182,848	365,696	358,526
Incentive Fee				
Revenue	855,248	975,759	1,831,007	10,815,568
Benchmark Revenue	5,253,000	4,641,000	9,855,200	9,855,200
Revenue Excess	(4,397,752)	(3,665,241)	(8,024,193)	960,368
Incentive Fee **	-	-	-	-
Total SMG Management Fee	182,848	182,848	365,696	358,526

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

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

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

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

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



June 1, 2020

TO: CAA Board of Directors

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

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

RE: Rental Rates, DeVos Place®

I would like to take this opportunity to present SMG's recommendations for Room Rental Rates for DeVos Place®, effective FY July 2021 through FY June 2025. 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. Thus, the rental rates for FY 2021 remain unchanged.

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.

Action requested: Re-approve the rental rates for FY's 2021-2024; approve the new rental rates for FY 2025.

Attachments: Rental Rate Schedules FY's 2021, 2022, 2023, 2024, 2025

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 st Performance \$1,850/2 nd Performance	N/A	N/A	\$4,200	N/A
DeVos Hall (Fri-Sat)	\$4,200 vs 12%	\$4,200/1 st Performance \$2,100/2 nd 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 st or 2 nd	\$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.

ROOM RENTAL RATES

FY 2022(July 1, 2021 – June 30, 2022)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,800 vs 12%	\$3,800/1 st Performance \$1,900/2 nd Performance	N/A	N/A	\$4,300	N/A
DeVos Hall (Fri-Sat)	\$4,300 vs 12%	\$4,300/1 st Performance \$2,150/2 nd Performance	N/A	N/A	\$4,800	N/A
Hall A-C	\$23,700 vs 12%	N/A	\$20,325 or \$.25 net sq. ft.	\$23,700 or \$.29 net sq. ft.	\$23,700	\$12,450
Hall A-B or B-C	\$15,800 vs 12%	N/A	\$13,550 or \$.25 net sq. ft.	\$15,800 or \$.29 net sq. ft.	\$15,800	\$8,300
Hall A, B, Or C	\$7,900 vs 12%	N/A	\$6,775 or \$.25 net sq. ft.	\$7,900 or \$.29 net sq. ft.	\$7,900	\$4,150
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,850 vs 12%	N/A	\$1,600 or \$.25 net sq. ft.	\$1,850 or \$.29 net sq. ft.	\$1,850	\$1,225
Meeting Rooms Grand Gallery Individual	\$700 vs 12%	N/A	\$700 or \$.25 net sq. ft.	\$700 or \$.29 net sq. ft.	\$700	\$700
Ballroom	\$6,950 vs 12%	N/A	\$5,950 or \$.25 net sq. ft.	\$6,950 or \$.29 net sq. ft.	\$6,950	\$4,200
Ballroom A,B,C-D	\$2,400 vs 12%	N/A	\$2,300 or \$.25 net sq. ft.	\$2,400 or \$.29 net sq. ft.	\$2,400	\$1,950
Ballroom C or D	\$1,550 vs 12%	N/A	\$1,500 or \$.25 net sq. ft.	\$1,550 or \$.29 net sq. ft.	\$1,550	\$1,450
River Overlook Meeting Rooms	\$700 vs 12%	N/A	\$700 per day	\$700 per day	\$700	\$700
Board Room	N/A	N/A	\$750 per day	\$750 per day	\$750	\$750
Monroe Meeting Rooms A-D	\$1,450 vs 12%	N/A	\$1,400 per day	\$1,450 per day	\$1,450	\$1,400
Monroe Meeting Room B, C, or D	N/A	N/A	\$600 per day	\$600 per day	\$600	\$600
Recital Hall or Monroe Meeting Room A	\$1,050 vs 12%	N/A	\$1,050 per day	\$1,050 per day	\$1,050	\$1,050

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 2023(July 1, 2022 – June 30, 2023)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,900 vs 12%	\$3,900/1 st Performance \$1,950/2 nd Performance	N/A	N/A	\$4,400	N/A
DeVos Hall (Fri-Sat)	\$4,400 vs 12%	\$4,400/1 st Performance \$2,200/2 nd Performance	N/A	N/A	\$4,900	N/A
Hall A-C	\$24,225 vs 12%	N/A	\$20,850 or \$.25 net sq. ft.	\$24,225 or \$.29 net sq. ft.	\$24,225	\$12,750
Hall A-B or B-C	\$16,150 vs 12%	N/A	\$13,900 or \$.25 net sq. ft.	\$16,150 or \$.29 net sq. ft.	\$16,150	\$8,500
Hall A, B, Or C	\$8,075 vs 12%	N/A	\$6,950 or \$.25 net sq. ft.	\$8,075 or \$.29 net sq. ft.	\$8,075	\$4,250
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,900 vs 12%	N/A	\$1,650 or \$.25 net sq. ft.	\$1,900 or \$.29 net sq. ft.	\$1,900	\$1,250
Meeting Rooms Grand Gallery Individual	\$725 vs 12%	N/A	\$725 or \$.25 net sq. ft.	\$725 or \$.29 net sq. ft.	\$725	\$725
Ballroom	\$7,100 vs 12%	N/A	\$6,100 or \$.25 net sq. ft.	\$7,100 or \$.29 net sq. ft.	\$7,100	\$4,300
Ballroom A,B,C-D	\$2,450 vs 12%	N/A	\$2,350 or \$.25 net sq. ft.	\$2,450 or \$.29 net sq. ft.	\$2,450	\$2,000
Ballroom C or D	\$1,600 vs 12%	N/A	\$1,550 or \$.25 net sq. ft.	\$1,600 or \$.29 net sq. ft.	\$1,600	\$1,500
River Overlook Meeting Rooms	\$725 vs 12%	N/A	\$725 per day	\$725 per day	\$725	\$725
Board Room	N/A	N/A	\$775 per day	\$775 per day	\$775	\$775
Monroe Meeting Rooms A-D	\$1,500 vs 12%	N/A	\$1,450 per day	\$1,500 per day	\$1,500	\$1,450
Monroe Meeting Room B, C, or D	N/A	N/A	\$625 per day	\$625 per day	\$625	\$625
Recital Hall or Monroe Meeting Room A	\$1,075 vs 12%	N/A	\$1,075 per day	\$1,075 per day	\$1,075	\$1,075

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 2024(July 1, 2023 – June 30, 2024)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$4,000 vs 12%	\$4,000/1 st Performance \$2,000/2 nd Performance	N/A	N/A	\$4,500	N/A
DeVos Hall (Fri-Sat)	\$4,500 vs 12%	\$4,500/1 st Performance \$2,250/2 nd Performance	N/A	N/A	\$5,000	N/A
Hall A-C	\$24,750 vs 12%	N/A	\$21,375 or \$.25 net sq. ft.	\$24,750 or \$.29 net sq. ft.	\$24,750	\$13,050
Hall A-B or B-C	\$16,550 vs 12%	N/A	\$14,250 or \$.25 net sq. ft.	\$16,500 or \$.29 net sq. ft.	\$16,500	\$8,700
Hall A, B, Or C	\$8,250 vs 12%	N/A	\$7,125 or \$.25 net sq. ft.	\$8,250 or \$.29 net sq. ft.	\$8,250	\$4,350
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,950 vs 12%	N/A	\$1,700 or \$.25 net sq. ft.	\$1,950 or \$.29 net sq. ft.	\$1,950	\$1,300
Meeting Rooms Grand Gallery Individual	\$750 vs 12%	N/A	\$750 or \$.25 net sq. ft.	\$750' or \$.29 net sq. ft.	\$750	\$750
Ballroom	\$7,250 vs 12%	N/A	\$6,250 or \$.25 net sq. ft.	\$7,250 or \$.29 net sq. ft.	\$7,250	\$4,400
Ballroom A,B,C-D	\$2,500 vs 12%	N/A	\$2,400 or \$.25 net sq. ft.	\$2,500 or \$.29 net sq. ft.	\$2,500	\$2,050
Ballroom C or D	\$1,650 vs 12%	N/A	\$1,600 or \$.25 net sq. ft.	\$1,650 or \$.29 net sq. ft.	\$1,650	\$1,550
River Overlook Meeting Rooms	\$750 vs 12%	N/A	\$750 per day	\$750 per day	\$750	\$750
Board Room	N/A	N/A	\$800 per day	\$800 per day	\$800	\$800
Monroe Meeting Rooms A-D	\$1,550 vs 12%	N/A	\$1,500 per day	\$1,550 per day	\$1,550	\$1,500
Monroe Meeting Room B, C, or D	N/A	N/A	\$650 per day	\$650 per day	\$650	\$650
Recital Hall or Monroe Meeting Room A	\$1,125 vs 12%	N/A	\$1,125 per day	\$1,125 per day	\$1,125	\$1,125

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 2025(July 1, 2024 – June 30, 2025)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$4,100 vs 12%	\$4,100/1 st Performance \$2,050/2 nd Performance	N/A	N/A	\$4,100	N/A
DeVos Hall (Fri-Sat)	\$4,600 vs 12%	\$4,600/1 st Performance \$2,300/2 nd Performance	N/A	N/A	\$5,100	N/A
Hall A-C	\$25,275 vs 12%	N/A	\$21,900 or \$.25 net sq. ft.	\$25,275 or \$.29 net sq. ft.	\$25,275	\$13,350
Hall A-B or B-C	\$16,900 vs 12%	N/A	\$14,600 or \$.25 net sq. ft.	\$16,850 or \$.29 net sq. ft.	\$16,850	\$8,900
Hall A, B, Or C	\$8,425 vs 12%	N/A	\$7,300 or \$.25 net sq. ft.	\$8,425 or \$.29 net sq. ft.	\$8,425	\$4,450
Meeting Rooms Grand Gallery 1 st or 2 nd	\$2,000 vs 12%	N/A	\$1,750 or \$.25 net sq. ft.	\$2,000 or \$.29 net sq. ft.	\$2,000	\$1,325
Meeting Rooms Grand Gallery Individual	\$775 vs 12%	N/A	\$775 or \$.25 net sq. ft.	\$775` or \$.29 net sq. ft.	\$775	\$775
Ballroom	\$7,400 vs 12%	N/A	\$6,400 or \$.25 net sq. ft.	\$7,400 or \$.29 net sq. ft.	\$7,400	\$4,500
Ballroom A,B,C-D	\$2,550 vs 12%	N/A	\$2,450 or \$.25 net sq. ft.	\$2,550 or \$.29 net sq. ft.	\$2,550	\$2,100
Ballroom C or D	\$1,700 vs 12%	N/A	\$1,650 or \$.25 net sq. ft.	\$1,700 or \$.29 net sq. ft.	\$1,700	\$1,600
River Overlook Meeting Rooms	\$775 vs 12%	N/A	\$775 per day	\$775 per day	\$775	\$775
Board Room	N/A	N/A	\$825 per day	\$825 per day	\$825	\$825
Monroe Meeting Rooms A-D	\$1,600 vs 12%	N/A	\$1,550 per day	\$1,600 per day	\$1,600	\$1,550
Monroe Meeting Room B, C, or D	N/A	N/A	\$675 per day	\$675 per day	\$675	\$675
Recital Hall or Monroe Meeting Room A	\$1,150 vs 12%	N/A	\$1,150 per day	\$1,150 per day	\$1,150	\$1,150

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

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

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

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

WHEREAS, the term of the Lease Agreement was extended to and including June 30, 2020, pursuant to Addendum I to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement between the CAA and AHC; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. That Addendum II to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (“Addendum II”) between the CAA and AHC extending the term of the Lease Agreement to and including June 30, 2021, in the form presented

at this meeting is approved and the Board Chairperson is authorized and directed to execute Addendum II for and on behalf of the CAA.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: June 5, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the CAA at a meeting held on June 5, 2020, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended, and Executive Order 2020-75 of the Governor of the State of Michigan.

Dated: June 5, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

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

THIS ADDENDUM II TO AMENDMENT TO GRAND RAPIDS CIVIC AUDITORIUM AND CONVENTION CENTER LEASE AGREEMENT (“Addendum II”), is made as of June 5, 2020, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, as assignee of the City of Grand Rapids (the “CAA”), and the **AMWAY HOTEL CORPORATION** (“AHC”).

RECITALS

A. The CAA and AHC entered into an Amendment to Grand Rapids Civic Auditorium and Convention Center Agreement (the “Amendment”) dated December 11, 2003, which amended the Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (the “Agreement”) dated January 3, 1980, between AHC and the City of Grand Rapids (the “City”), which was amended, in addition to the Amendment, by the Grand Center Agreement Amendment dated November 24, 1981, and the Grand Center Agreement Amendment dated April 15, 1985, both between AHC and the City.

B. Pursuant to the provisions of the Amendment, the term of the Agreement was extended through and including June 30, 2020, pursuant to Addendum I to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease dated February 7, 2020, between the CAA and AHC.

C. The CAA and AHC desire to further extend the term of the Agreement while negotiating the terms of a new agreement.

NOW, THEREFORE, the CAA and AHC agree, in consideration of their respective representations and obligations in the Agreement and Amendment as follows:

Section 1. Extension of Term. The term of the Agreement is extended to and including June 30, 2021.

Section 2. Negotiation of New Agreement. During the extended term it is the intention of both the CAA and AHC to successfully negotiate the terms of a new agreement.

Section 3. Ratification. Except as otherwise amended by this Addendum II, the Agreement, as amended, and the Amendment are hereby verified and confirmed.

[signatures on following page]

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

By: _____
Steven Heacock, Chairperson
Board of Directors

AMWAY HOTEL CORPORATION

By: _____
Its: _____

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
PARKING OPERATION AGREEMENT WITH THE CITY OF GRAND
RAPIDS**

Boardmember _____, supported by Boardmember _____, 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 660 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, 2017, related to the Parking Spaces which expires June 30, 2020; 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, 2020, and ending June 30, 2023, 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 legal counsel is approved.

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

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.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: June 5, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on June 5, 2020, 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 and Michigan Governor's Executive Order 2020-15.

Dated: June 5, 2020

Susan M. Waddell
Administrative Manager/Recording Secretary

PARKING OPERATION AGREEMENT

THIS PARKING OPERATION AGREEMENT (the "Agreement") is made as of July 1, 2020, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority (the "CAA" or "Authority"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City").

PREMISES

A. The CAA controls the operation of DeVos Place, a performing arts/convention/entertainment facility located at 303 Monroe Avenue, N.W., in the City (the "Convention Center"), including 660 parking spaces located in the lower level of the Convention Center (the "Parking Spaces").

B. The Operating Agreement dated as of March 29, 2000 (the "Operating Agreement"), between the County of Kent (the "County") and the City related to the Convention Center provides that (a) "all parking facilities constituting a portion of the Convention Center shall be operated by the City's Parking System under the direction of the Authority with any net income in a fiscal year of the Authority, after deduction of operating expenses, belong to the Authority" and (b) "the Authority shall make available to the County and the City, for employees and other users the parking spaces in the Convention Center parking facilities at a cost equal to a pro rata share of operating expenses."

C. The CAA and the City previously entered into a Parking Operation Agreement dated July 1, 2008, related to the Parking Spaces which expired June 30, 2011, a Parking Operation Agreement dated July 1, 2011, related to the Parking Spaces which expired June 30, 2014, a Parking Operation Agreement dated July 1, 2014, related to the Parking Spaces which expired June 30, 2017, and a Parking Operation Agreement dated July 1, 2017, which expires June 30, 2020.

D. The CAA and the City desire to enter into this Agreement setting forth (a) the terms and conditions for the continued operation of the Parking Spaces and (b) the basis for providing, including the determination of cost, the Parking Spaces to the County and the City.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

Section 1. Operation of Parking Spaces. Subject to the terms and conditions of this Agreement, the City, through its Mobile GR and Parking Services Department (the "Department"), shall be responsible for the operation of the Parking Spaces.

Section 2. Parking Control Equipment. The CAA shall at its cost be responsible for providing, replacing and upgrading at each entry/exit to the Parking Spaces parking control equipment compatible with the City's Automobile Parking System (the "System") and, where required, attendant booths of the same or similar quality as booths located in City-owned parking ramps within the System. The City shall be responsible for the maintenance of such parking control equipment and attendant booths. In this regard, the City currently maintains its parking control equipment throughout the System pursuant to a maintenance agreement with an outside vendor and has included the Convention Center Parking Spaces parking control equipment in such

maintenance agreement and will include the Convention Center Parking Spaces parking control equipment in any future maintenance agreements and will pass such additional costs related to such parking control equipment on to the CAA as an operational cost which the CAA agrees to pay.

Section 3. Conditions of Operation. The operation of the Parking Spaces by the Department shall be subject to the following conditions:

- (a) Unless otherwise agreed by the CAA and the City, the Department shall be responsible for providing:
 - 1. Attendant staffing as and to the level mutually determined necessary by the CAA's Owner's Representative and the Department.
 - 2. Security/customer service "red car" patrol at the same level provided to parking lots and ramps in the System during those times that the Parking Spaces are available for public monthly pass, daily in/out or special event use. It is understood that the CAA has installed and will maintain and monitor security cameras throughout the area of the Parking Spaces as a part of the Convention Center's overall security system.
 - 3. Supervision of Department personnel performing services pursuant to this Agreement related to the Parking Spaces and related administrative services including management and accounting services.
- (b) The level of operation provided shall, except as otherwise provided in this Agreement, be equal to that provided by the Department to City-owned ramps operated and maintained by the Department.
- (c) The City, including the Department, shall not be responsible for any maintenance of the Parking Spaces.

Section 4. Utilities. The CAA shall be responsible for furnishing and paying for utilities related to the space occupied by the Parking Spaces, including electricity for lighting and parking control equipment and electric and telephone lines for attendant booths.

Section 5. Hours of Operation. The CAA's Owner's Representative shall determine the hours of operation of the Parking Spaces for both event and non-event days.

Section 6. City and County Use of Parking Spaces. Pursuant to the terms of the Operating Agreement, the CAA is required to make the Parking Spaces available to the County and the City for employees and other users on a prepaid monthly pass basis. When such spaces are requested by the County or the City, the Department shall work with the CAA to facilitate making the requested spaces available. Unless otherwise mutually agreed by the City and CAA, the City agrees that it will maintain from time to time at the Government Center Parking Ramp located across Monroe Avenue from the Convention Center (the "Government Center Ramp") as

daily/special event spaces (without in and out privileges) parking spaces of an equal number to the number of spaces that have moved from the Government Center Ramp to the Parking Spaces at the request of the City. Upon 14 days prior written notice to the City and subject to the prior approval of the City and/or County whose employee prepaid monthly parking passes are affected, if the Convention Center is closed or temporarily inaccessible or the daily parking demand, as determined by the CAA's Owner's Representative, is projected to exceed capacity, the City agrees to provide parking for such prepaid monthly parking passes at another City owned or controlled parking facility or lot. If the affected parking passes are for County employees any additional charge by the City above the rate determined in accordance with Section 9 hereof shall be approved in advance by the County. Within 15 days after September 30, December 31, March 31 and June 30 during the term of this Agreement the Department shall provide the CAA's Owner's Representative with a written quarterly report indicating the number of current City and County monthly passes outstanding, the increase and/or decrease in such City and County passes since the prior report and a calculation of the difference between the then current market rate for monthly passes for the Parking Spaces and the then current rate for monthly passes paid by the City and the County.

Section 7. Monthly Parking Passes. Except for the monthly parking passes required to be made available to the City and County pursuant to Section 6 hereof, the total number of monthly parking passes issued at any one time for the Parking Spaces shall be approved by the CAA's Owner's Representative.

Section 8. Establishment of Parking Rates. Rates charged for use of the Parking Spaces, except those made available to the County and City pursuant to Section 6 hereof, shall be as determined from time to time by the CAA after receiving input from the Department, *provided, however,* such (i) prepaid daily maximum rate shall not be less than 100% of the similar rate charged at the Government Center Ramp and (ii) the hourly visitor rate, prepaid monthly pass rate and special event rates shall not be less than those similar rates charged at the Government Center Ramp unless the CAA and the City otherwise mutually agree. In order to accommodate the Department's parking control equipment throughout the System, the CAA agrees to provide, at least 60-days prior written notice of rate changes and, whenever possible, to coordinate any change in rates for the Parking Spaces so that the effective date of such change takes place at the same time as the effective date of a change in rates by the City for public parking facilities owned by the City and operated by the Department.

Section 9. Establishment of Parking Rates for County and City Use. In accordance with the provisions of the Operating Agreement, parking spaces made available to the County and City pursuant to Section 6 hereof are to be provided at a cost equal to the pro rata share of the operating and maintenance expenses of the Parking Spaces used by the County and City. The Department shall with the assistance of the CAA's Owner's Representative determine such cost annually in conjunction with its annual facilities update. Costs to be incorporated in the rate established for the County and the City shall include the Department's operating costs, including the cost of maintaining the parking control equipment for the Parking Spaces and an annual management fee (the "Management Fee") related to the Parking Spaces (the "Department Operating Costs") and a pro rata share of the cost of maintenance and other services incurred by the CAA in connection with the Parking Spaces such as a pro rata share of utility costs, elevator maintenance, insurance premiums and building security and maintenance costs related to the

Parking Spaces for services performed by the CAA's Owner's Representative or other entity(ies) the CAA contracts with to provide such services (collectively, with the Department Operating Costs, the "Parking Spaces Operating and Maintenance Costs"). For purposes of this Section 9 and other applicable provisions of this Agreement, the Management Fee included in the Department Operating Costs shall mean an annual fee of \$25,000 for the first year of the term of this Agreement, which amount shall be adjusted upward for each subsequent year of this Agreement's term 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 year as published by the U.S. Department of Labor, provided that for purposes of this adjustment the amount of any yearly increase in the foregoing index in excess of 5% shall be disregarded. For each fiscal year during the term of this Agreement, the rate established for the City and the County (the "CC Rate") shall be determined based on estimated costs for such fiscal year plus an upward or downward adjustment to reflect the recovery of actual costs versus estimated costs for the prior fiscal year (the "Adjustment"). The CC Rate for the County and City shall be determined by dividing the total number of monthly passes for the Parking Spaces issued by the Department at the time of such determination (but such number shall never be less than the number of Parking Spaces) into the Parking Spaces Operating and Maintenance Costs plus or minus the Adjustment for such fiscal year. The Department shall make available to the CAA's Owner's Representative the calculation of such CC Rate for review and approval prior to the implementation of such CC Rate. It is understood that for the purpose of determining the CC Rate, Parking Spaces Operating and Maintenance Costs will not be allocated to daily in/out parkers and event parkers.

Section 10. Preparation and Approval of Annual Budget. The Department shall prepare and submit to the CAA's Owner's Representative for approval an operating cost budget for the services it is required to perform pursuant to this Agreement for the Parking Spaces for the ensuing fiscal year. Annual budgets shall be submitted at least 90 days prior to the beginning of the CAA's fiscal year, i.e. July 1.

Section 11. Review of Procedures for Establishing Parking Rates and Other Matters. The CAA through its Owner's Representative and the City through the Department agree to meet to review the procedures used to establish rates pursuant to Sections 8 and 9 hereof and, if based on such review, it is mutually agreed to revise such procedures, to amend this Agreement to reflect such revisions. In addition, the CAA through its Owner's Representative and the Department agree to communicate regularly as necessary concerning the levels of operation service provided for the Parking Spaces and to meet and review such levels of service on an annual basis.

Section 12. Collection and Deposit of Receipts and Payment of Department Operating Costs. The Department shall bill and collect all revenues for the Parking Spaces based on rates established pursuant to Section 8 and 9 hereof. On or before the First of the month, beginning August 1 each year and continuing each month thereafter until July 1 of the following year, the Department shall pay the CAA an amount equal to 1/12 of the agreed to annual budgeted operating revenues less budgeted operating expenses. Within 10 days after September 1 each year and continuing within 10 days after each calendar month thereafter until within 10 days after August 1 of the following year, the Department will complete a reconciliation of the second preceding calendar month's actual operating revenues less operating expenses. Any overage/shortfall determined by this calculation, will immediately thereafter be paid over/billed to

the CAA. Appropriate documentation, detailing the calculation, will accompany the check/invoice. The final monthly reconciliation will be provided no later than 10 days after August 1 following June 30 each year. If the CAA has any questions regarding an invoice, it shall promptly notify the Department and the CAA's Owner's Representative and the Department shall promptly meet to resolve such questions and make any required adjustments in the invoice.

Section 13. Term. This Agreement shall be for a term commencing on July 1, 2020, and ending June 30, 2023, subject to the right of either party to terminate the Agreement early on July 1 of any year by giving written notice to the other party at least one year prior to the termination date.

Section 14. Indemnification. The City shall indemnify the CAA and its officers, boardmembers, employees and agents (the "CAA Indemnified Parties" or "CAA Indemnified Party") against, and save the CAA Indemnified Parties harmless from, any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys fees, paid or incurred by the CAA Indemnified Parties and arising from the City's or the City's invitees use of the Parking Spaces except such as arise from the willful acts or negligence of the CAA Indemnified Parties. If any action or proceeding is brought against a CAA Indemnified Party, by reason of any such claim, the City will, upon written notice from the CAA Indemnified Party, at the City's expense, resist or defend such action or proceeding by counsel approved by the CAA Indemnified Party in writing. In providing the indemnification set forth above, the City is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the City for the CAA Indemnified Parties. The City shall not be responsible for the indemnification obligations set forth above with respect to any CAA Indemnified Party to the extent that a CAA Indemnified Party has waived a defense which was otherwise available to it by law.

The CAA shall indemnify the City and its officers, commissioners, employees and agents (the "City Indemnified Parties" or "City Indemnified Party") against and save the City Indemnified Parties harmless from any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys' fees, paid or incurred by the City Indemnified Parties and arising from the CAA's and the CAA's invitees use and occupancy of the Parking Spaces except such as arise from the willful acts or negligence of the City Indemnified Parties. If any action or proceeding is brought against a City Indemnified Party by reason of any such claim, the CAA will upon written notice from the City Indemnified Party, at the CAA's expense, resist or defend such action or proceeding by counsel approved by the City Indemnified Party in writing. In providing the indemnification set forth above, the CAA is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the CAA for the City Indemnified Parties. The CAA shall not be responsible for the indemnification obligations set forth above with respect to any City Indemnified Party to the extent that a City Indemnified Party has waived a defense which was otherwise available to it by law.

Section 15. Notices. All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by certified or registered mail (return receipt requested, postage prepaid) or by facsimile to the appropriate party at its address or facsimile number set forth below:

If to the CAA: Grand Rapids-Kent County Convention/Arena
Authority
303 Monroe Avenue, N.W.
Grand Rapids, Michigan 49503
Attention: Administrative Manager
Facsimile Number: (616) 742-6197

If to the City: City of Grand Rapids
6th Floor, City Hall
300 Monroe Avenue, N.W.
Grand Rapids, Michigan 49503
Attention: City Manager
Facsimile Number: (616) 456-3166

With a copy to: City of Grand Rapids
Mobile GR and Parking Services Department
50 Ottawa Avenue, N.W.
P.O. Box 1968
Grand Rapids, Michigan 49501-1968
Attention: Mobile GR and Parking Services Manager
Facsimile Number: (616) 456-4322

Either party may change its designated address/facsimile number by delivery of written notice of the change to the other party. Notices shall be deemed effective upon actual receipt. Actual receipt of facsimile transmissions shall be presumed based upon the transmitting party's receipt of a confirmation of transmission.

Section 16. General Provisions.

- (a) This Agreement constitutes the entire agreement between the CAA and the City related to the subject matter hereof, i.e., the operation of the Parking Spaces, and may be modified or amended in whole or in part from time to time only by mutual written agreement of the CAA and the City.
- (b) As used in this Agreement the term "Owner's Representative" shall mean the General Manager of the Convention Center or such other person as shall be designated to the Department by the CAA in writing.
- (c) This Agreement shall be interpreted in accordance with the laws of the State of Michigan.
- (d) Nothing in this Agreement is intended by the parties hereto to create, nor shall anything in it be construed as creating, any obligations to, or rights in, any party not a signatory to this Agreement that would not exist independent of this Agreement.
- (e) If any particular portion of this Agreement is rendered invalid, illegal, unenforceable or otherwise of no effect, the remaining provisions of this

Agreement shall remain in full force and effect so that the essence and intent of this Agreement is preserved.

- (f) A failure of either party to give notice or insist upon the immediate performance of any right that it has under this Agreement shall not constitute a waiver of that right or any other right under this Agreement.
- (g) The section headings of this Agreement are for convenience only and shall not be considered a part of the substance of this Agreement or affect the interpretations of this Agreement.
- (h) This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.
- (i) The City shall act solely as an independent contractor with respect to the operation of the Parking Spaces. The relationship of the City and the CAA under this Agreement shall in no way be construed to create a joint venture or partnership, or to constitute either party as an agent or employee of the other for any purpose.

IN WITNESS WHEREOF, the parties have signed this Agreement on the day first written above.

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

Steven Heacock, Chairman

CITY OF GRAND RAPIDS

Rosalynn Bliss, Mayor

Attest:

Joel H. Hondorp, City Clerk