



Agenda

Board of Directors

Friday, May 19, 2017

**Following CAA Finance Committee Meeting
Kent County Commission Chambers
300 Monroe Avenue, NW, Grand Rapids, MI**

- | | | |
|----|---|----------------|
| 1. | Call to Order | Richard Winn |
| 2. | Minutes of April 21, 2017 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Experience Grand Rapids Report | |
| | B. Finance Committee | |
| | i. Preliminary Review of FY 2018 Budgets | Information |
| | a. Consolidated CAA Budgets | |
| | b. DeVos Place® and Van Andel Arena®
Operating/Capital Budgets | |
| 4. | Preliminary Review of 2018-2022 DeVos Place® Rate Sheets | Information |
| 5. | Monroe Street Activation Study Recommendation | Action |
| 6. | Second Amendment to Financial Services Employment Agreement | Action |
| 7. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 8. | Public Comment | |
| 9. | Adjournment | |

**Next Meeting Date: Friday, June 9, 2017
Joint CAA Board and Committees Meeting
DeVos Place®**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
Friday, April 21, 2017**

Attendance

Members Present: Steve Heacock, Chairperson
Rosalynn Bliss
Charlie Secchia
Lew Chamberlin
Richard Winn

Members Absent: Birgit Klohs
Floyd Wilson, Jr.

Staff/Others:	Kathy Bart	SMG
	Tom Bennett	Experience Grand Rapids
	Tim Gortsema	Grand Rapids Griffins
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Julie Nystedt	Grand Rapids Symphony
	Peter Perez	Grand Rapids Symphony
	Doug Small	Experience Grand Rapids
	Greg Sundstrom	City of Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Richard Wendt	Dickinson Wright

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 9:05 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes. Chair Heacock moved Public Comment to the top of the agenda.

2. Public Comment

Peter Perez, President and CEO at the Grand Rapids Symphony, expressed sympathy at the sad loss of Roger Nelson, Vice President and COO for the past 13 years. Prior to that, Roger spent the first half of his career with the Symphony as a double bass player. The Symphony is moving forward and has several concerts listed on its event calendar including Sgt. Pepper's 50th Anniversary, Beethoven's Eroica, and the upcoming Picnic Pops series. Mr. Perez introduced Julie Nystedt, the Symphony's Operations Manager. Music directors include Marcelo Lehninger and Bob Bernhart, the principal Pops Conductor. It's an exciting time for the Symphony's 700 musicians and singers. Mr. Perez thanked Chair Heacock for the opportunity to provide a brief update.

3. Minutes of Prior Meeting

Motion by Ms. Bliss, support by Mr. Winn, to approve the February 3, 2017, Minutes. Motion carried.

4. Committee Reports

A. Operations Committee

- i. Monroe Avenue Activation Report

Motion: Mr. Chamberlin, supported by Mr. Winn, moved to support the Monroe Avenue Activation Report and move forward with a feasibility study as the next step. Motion carried.

- ii. Preliminary FY 2018 Capital Plan

There were no further updates or additions.

- iii. 15-Year Capital Outlook

There were no further updates or additions.

B. Finance Committee

- i. Acceptance of March 2017 Consolidated Financial Statements

Committee Chair Richard Winn presented the consolidated financial report for the period ended March 31, 2017. The dashboard showed that 19 concerts generated \$1,896,600 in event revenue, an increase of +32.3% from prior year (18 concerts) of \$1,433,321. Convention/trade show business generated \$1,463,922 in event revenue, a decrease of (9.1%) from prior year (attendance decreased from 94,786 to 92,696) of \$1,611,012. The budget summary on page 3 shows the financial trends of the buildings for the year. The Van Andel Arena® net proceeds of \$2,028,603 increased by +66.5% from prior year of \$1,218,713. The DeVos Place® net proceeds \$892,389 increased by +4.5% from prior year proceeds of +\$854,092. The financial statements also included a detailed list of March 2017 disbursements, in compliance with the CAA disbursement policy. At the May Committee meeting, Mr. Robert White will present the disbursements policy for review and possible update.

Motion: Mr. Winn, supported by Ms. Bliss, moved to accept the March 2017 Consolidated Financial Statements. Motion carried.

- ii. SMG March 2017 Van Andel Arena® and DeVos Place® Financial Statements

The SMG March 2017 financial statements were included as an information item.

5. SMG Report and Facilities Calendars

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

6. Adjournment

The meeting adjourned at 9:20 a.m.



Memorandum

To: Grand Rapids – Kent County
Convention/Arena Authority

From: Robert J. White

Date: May 16, 2017

Re: Convention/Arena Authority (CAA)
Fiscal Year 2018 Budget Recommendation

The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2017 (Fiscal Year 2018). The format of the report provides the Board with an overview of Fiscal Year 2016 actual, Fiscal Year 2017 estimate, and Fiscal Year 2018 preliminary recommendations. Preliminary Finance Committee review will be held on May 19th, with final Board review scheduled for June 9th.

Table A provides a summary of the facility manager (SMG) budget documents submitted under separate cover. Based on SMG's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$1,825,255. Funding, requested for FY 2018, would generate a net operating income of \$1,094,022.

The Fiscal Year 2018 consolidated income statement (Table C) forecasts a net operating income totaling \$1,619,902. This income will be applied to finance, in part, a capital outlay request totaling \$3,885,000. The balance of the funds required will be supported by interest earnings and a drawdown from the capital reserve account.

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

On the basis of these initial budgetary estimates, it is expected that the CAA will close its Fiscal Year 2017 activities with a "fund balance" approximating \$22.5 million. This would include a recommended minimum operating reserve balance of \$3.9 million and a capital repair/replacement/improvement reserve of \$18.6 million.

The current Table D has been included along with the original Fiscal Year 2018 budget materials. This report provides a “Budget Summary by Facility/Other” formatted report. It organizes revenues and expenses in three activity areas including Van Andel Arena®, DeVos Place® Convention Center, and other. This report provides all of the same information contained in Table C, but also allows the reader to view the overall operations of each facility incorporating therein the revenues generated by the parking facilities attached or adjacent to the buildings and police-pedestrian safety services.

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

Attachments:

Table A – SMG Operating Budgets (Summary)

Table B – CAA Administrative Budget

Table C – Consolidated Income Statement

Table D – Budget Summary by Facility

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

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

Table A
Grand Rapids-Kent County Convention/Arena Authority
SMG Facilities Budget
Fiscal Years Ending June 30, 2016 - 2018

	FY 2016	FY 2017		FY 2018
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 6,400,073	\$ 5,470,265	\$ 6,530,759	\$ 5,862,420
- Expenses - Facilities	(4,345,088)	(4,245,108)	(4,453,840)	(4,417,724)
- Management Fees	(171,942)	(173,833)	(173,661)	(177,134)
- Incentive Fees	(124,445)	(78,018)	(148,557)	(101,780)
Net Operating Income	<u>1,758,598</u>	<u>973,306</u>	<u>1,754,701</u>	<u>1,165,782</u>
 DeVos Place				
Operating - Revenues	\$ 6,830,628	\$ 5,779,735	\$ 6,414,317	\$ 6,337,310
- Expenses - Facilities	(5,954,307)	(5,804,973)	(5,971,337)	(5,979,448)
- Management Fees	(171,942)	(173,833)	(173,661)	(177,134)
- Incentive Fees	(219,439)	(269,649)	(198,765)	(252,488)
Net Operating Loss	<u>\$ 484,940</u>	<u>\$ (468,720)</u>	<u>\$ 70,554</u>	<u>\$ (71,760)</u>
 Net Available to CAA:				
Van Andel Arena	\$ 1,758,598	\$ 973,306	\$ 1,754,701	\$ 1,165,782
DeVos Place	484,940	(468,720)	70,554	(71,760)
	<u>\$ 2,243,538</u>	<u>\$ 504,586</u>	<u>\$ 1,825,255</u>	<u>\$ 1,094,022</u>

**Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2016-2018**

	<u>FY2016</u>	<u>FY 2017</u>		<u>FY 2018</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:				
Facility Operations	\$ 2,243,538	\$ 504,586	\$ 1,825,255	\$ 1,094,022
Utility Reimbursement	<u>2,317,824</u>	<u>2,415,960</u>	<u>2,450,154</u>	<u>2,396,200</u>
Transfers from SMG	4,561,362	2,920,546	4,275,409	3,490,222
DeVos Place Parking ⁽¹⁾	1,173,312	1,261,071	1,361,766	1,361,766
VanAndel Parking ⁽¹⁾	197,352	305,530	284,152	384,987
Interest ⁽²⁾	117,498	154,358	168,365	286,250
Miscellaneous ⁽⁷⁾	<u>235,673</u>	<u>54,456</u>	<u>83,696</u>	<u>85,000</u>
Total Revenues	<u>6,285,197</u>	<u>4,695,961</u>	<u>6,173,388</u>	<u>5,608,225</u>
Expenditures:				
Utilities ⁽⁴⁾	2,317,824	2,415,960	2,450,154	2,396,200
Other Operating ⁽⁵⁾	423,230	622,484	369,673	442,000
Administration/Other ⁽⁶⁾	848,930	698,659	635,797	863,873
Facility Maintenance	1,225,336	-	-	-
Capital	<u>1,135,984</u>	<u>2,300,000</u>	<u>2,478,609</u>	<u>3,885,000</u> ⁽³⁾
Total Expenditures	<u>5,951,304</u>	<u>6,037,103</u>	<u>5,934,233</u>	<u>7,587,073</u>
Net Excess (Deficit)	<u>\$ 333,893</u>	<u>\$ (1,341,142)</u>	<u>\$ 239,155</u>	<u>\$ (1,978,848)</u>

Notes: See Following Pages

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2018 Recommendation

Notes:

(1)DeVos Place Parking Rates:	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
30 Minutes	\$ 1.50	\$ 1.50	\$ 1.50
Daily Maximum	15.00	15.00	15.00
Event	9.00	10.00 *	10.00
Monthly -Public	154.00	154.00	154.00
-Reserved Premium	58.00	58.00	58.00
-County/SMG (O+M)	36.06	41.00	41.00 **

Van Andel Arena Parking Rates:			
Event	\$ 9.00	\$ 12.00 *	\$ 12.00
Non-Event Coin Unit	5.00	10.00 *	10.00
Monthly -Public	76.00	112.00 *	112.00

* Rate Effective 9/1/2016.

** Preliminary; calculated based on adopted budget.

(2) \$22.9 million (3/31/17 pool balance) in invested funds at 1.25%.

(3) FY 2018 Eligible Projects:

		<u>Project</u> <u>Source</u>
Van Andel Arena®		
Arc Flash hazard analysis	75,000	CODE
Compressor rebuilds (4) (Phase 3 of 4)	140,000	LT+Rossetti
Folding chairs (replace 300 floor seating chairs) (Phase 2)	60,000	LT
Elevator modernization program	250,000	LT+Rossetti
Locker room refurbish study	40,000	LT
Concession equipment	40,000	---
Ice making machines	70,000	---
Basketball floor demo (new or replace)	100,000	LT
Dashers	230,000	LT
Total VAA	<u>1,005,000</u>	
DeVos Place®		
Phase 3 security system camera upgrades	125,000	LT
Removal/replace flooring in DVPH locker room/sound booth areas	150,000	LT
Recycling containers	125,000	Customer
DVPH hearing loop upgrades	35,000	Customer
Landscaping trees (east and west GG)	130,000	---
Arc Flash hazard analysis	125,000	CODE
Phase 1 of VFD drive replacements (3 phases total)	125,000	LT
DVPH VIP area	450,000	Revenue
New meters for subs	50,000	---
New Michigan Street dock doors	1,000,000	---
Replace radios (both buildings)	75,000	---
Door redesign for GG east & west denka movement and BR D removable jam	50,000	---
Welsh lobby exterior brick tucking and stone rehab	125,000	LT
DeVos Performance Hall stage lighting	165,000	Revenue
Secchia lobby window treatments	150,000	---
Total DVP	<u>2,880,000</u>	
Total FY 2018 Capital Budget	<u><u>\$ 3,885,000</u></u>	

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Detail of Expenditure Estimates
FY 2016-2018

	<u>FY 2016</u>	<u>FY 2017</u>		<u>FY 2018</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Utilities⁽⁴⁾:				
Electricity	\$ 1,668,752	\$ 1,676,000	\$ 1,728,119	\$ 1,680,000
Steam/Gas	529,606	621,600	573,579	591,600
Water/Sewer	119,466	118,360	148,456	124,600
	<u>\$ 2,317,824</u>	<u>\$ 2,415,960</u>	<u>\$ 2,450,154</u>	<u>\$ 2,396,200</u>
Other Operating⁽⁵⁾:				
Parking Management	\$ 195,339	\$ 205,522	\$ 205,522	\$ 218,000
Pedestrian Safety	157,971	146,962	150,259	159,000
Marketing Campaign	-	200,000	-	-
Repairs - F&B	46,890	40,000		40,000
Landscaping	23,030	30,000	13,892	25,000
	<u>\$ 423,230</u>	<u>\$ 622,484</u>	<u>\$ 369,673</u>	<u>\$ 442,000</u>
Administration/Other⁽⁶⁾:				
Wages	\$ 95,322	\$ 97,957	\$ 97,957	\$ 102,200
Benefits	32,469	26,468	27,043	29,268
Accounting/Audit	47,486	24,900	46,902	27,000
Legal Services	16,220	35,000	20,000	38,500
DID Assessment ^(A)	53,269	54,335	38,405	55,422
Consulting Services	181,606	72,701 *	77,709	150,000 **
Insurance	16,350	22,298	21,062	21,483
Marketing - CVB/WMSC	125,000	125,000	125,000	200,000
Diversity Initiative	203,399	150,000	120,000	150,000
Procurement of Art (ArtPrize)	29,822	30,000	26,719	30,000
Other	47,987	60,000	35,000	60,000
	<u>\$ 848,930</u>	<u>\$ 698,659</u>	<u>\$ 635,797</u>	<u>\$ 863,873</u>

Notes:

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

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

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

**SMG-\$33,355 and \$116,645 for hotel study.

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2016-2018

	<u>FY 2016</u>	<u>FY 2017</u>		<u>FY 2018</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:				
Event - VanAndel Arena	\$ 1,275,844	\$ 1,315,000	\$ 1,733,081	\$ 1,517,650
- DeVos Place	3,520,845	2,953,900	3,306,622	3,195,900
Ancillary - VanAndel Arena	1,885,523	1,252,915	1,785,332	1,397,670
- DeVos Place	2,653,585	2,411,335	2,552,633	2,533,410
Other - VanAndel Arena	3,238,706	2,902,350	3,012,346	2,947,100
- DeVos Place	656,198	414,500	555,062	608,000
-Administration	53,132	54,456	83,696	85,000
Parking - VanAndel Arena	197,352	305,530	284,152	384,987
- DeVos Place	1,173,312	1,261,071	1,361,766	1,361,766
	<u>14,654,497</u>	<u>12,871,057</u>	<u>14,674,690</u>	<u>14,031,483</u>
Operating Expense / Appropriations:				
Facility Operations				
- VanAndel Arena	4,345,088	4,245,108	4,453,840	4,417,724
- DeVos Place	5,954,307	5,804,973	5,971,337	5,979,448
- Management	343,884	347,666	347,322	354,268
- Incentive	343,884	347,666	347,322	354,268
- Parking/Maintenance	423,230	622,484	369,673	442,000
Other Operating	1,225,336	-	-	-
Administration/Other	848,930	698,659	635,797	863,873
	<u>13,484,659</u>	<u>12,066,556</u>	<u>12,125,291</u>	<u>12,411,581</u>
Operating Income	1,169,838	804,501	2,549,399	1,619,902
Non-Operating Revenue:				
Interest/Capital Contribution	300,039	154,358	168,365	286,250
Transfer (to) from Capital Acct.	(1,135,984)	(2,532,236)	(2,478,609)	(3,885,000)
	<u>(835,945)</u>	<u>(2,377,878)</u>	<u>(2,310,244)</u>	<u>(3,598,750)</u>
Net Income (Loss)	333,893	(1,573,377)	239,155	(1,978,848)
Fund Balance, beg. of yr.	21,896,324	22,230,217	22,230,217	22,469,372
Fund Balance, end of yr.	\$ 22,230,217	\$ 20,656,840	\$ 22,469,372	\$ 20,490,524

Table D
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
FY 2016-2017 Actual/Estimate
FY 2018 Recommendation

	FY 2016	FY 2017		FY 2018
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 6,400,073	\$ 5,470,265	\$ 6,530,759	\$ 5,862,420
- Expenses - Facilities	(4,345,088)	(4,245,108)	(4,453,840)	(4,417,724)
- Management Fees	(171,942)	(173,833)	(173,661)	(177,134)
- Incentive Fee	(124,445)	(78,017)	(148,557)	(101,780)
Net Operating Income (Loss)	1,758,598	973,307	1,754,701	1,165,782
Parking	197,352	305,530	284,152	384,987
Pedestrian Safety	(100,906)	(91,960)	(101,919)	(108,000)
Net Proceeds (Cost) of VAA	1,855,044	1,186,877	1,936,934	1,442,769
DeVos Place Convention Center				
Operating - Revenues	6,830,628	5,779,735	6,414,317	6,337,310
- Expenses - Facilities	(5,954,307)	(5,804,973)	(5,971,337)	(5,979,448)
- Management Fees	(171,942)	(173,833)	(173,661)	(177,134)
- Incentive Fee	(219,439)	(269,649)	(198,765)	(252,488)
Net Operating Loss	484,940	(468,720)	70,554	(71,760)
Parking	977,973	982,048	1,156,244	1,143,766
Pedestrian Safety	(57,066)	(55,002)	(48,340)	(51,000)
Net Proceeds (Cost) of DVP	1,405,847	458,326	1,178,458	1,021,006
Other				
Revenues				
Interest	167,498	154,358	168,365	286,250
Miscellaneous	185,673	54,456	83,696	85,000
	353,171	208,814	252,061	371,250
Expenses				
Administration	(848,930)	(698,659)	(635,797)	(863,873)
Other Operating	(69,920)	(270,000)	(13,892)	(65,000)
	(918,850)	(968,659)	(649,689)	(928,873)
Net Other	(565,679)	(759,845)	(397,628)	(557,623)
Total Net Proceeds/Operating	2,695,212	885,358	2,717,764	1,906,152
Capital Expenditures	(2,361,320)	(2,532,236)	(2,478,609)	(3,885,000)
Results Net of Capital Expenditures	\$ 333,892	\$ (1,646,878)	\$ 239,155	\$ (1,978,848)

Table E
Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2009 through 2018
May 16, 2017
(In Thousands)

	Actual								Est.	Rec.
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
VAA - Net Proceeds	\$ 1,529	\$ 1,612	\$ 925	\$ 976	\$ 1,793	\$ 532	\$ 1,610	\$ 1,980	\$ 2,086	\$ 1,545
DVP - Net Proceeds	72	36	125	280	784	445	908	1,625	1,377	1,273
SMG Incentive Fees	(211)	(238)	-	-	(331)	-	(344)	(344)	(347)	(354)
Other-Net Proceeds	<u>354⁽¹⁾</u>	<u>(126)⁽¹⁾</u>	<u>(276)</u>	<u>(425)</u>	<u>(313)⁽¹⁾</u>	<u>(456)</u>	<u>(308)</u>	<u>(565)</u>	<u>(398)</u>	<u>(558)</u>
Total Net Operating	1,744	1,284	774	831	1,933	521	1,866	2,696	2,718	1,906
Capital	<u>(566)</u>	<u>(675)</u>	<u>(3,416)</u>	<u>(662)</u>	<u>(962)</u>	<u>(2,565)</u>	<u>(1,130)</u>	<u>(2,361)</u>	<u>(2,479)</u>	<u>(3,885)</u>
Transfer To/(From) Fund Balance	<u>1,178</u>	<u>609</u>	<u>(2,642)</u>	<u>169</u>	<u>971</u>	<u>(2,044)</u>	<u>736</u>	<u>335</u>	<u>239</u>	<u>(1,979)</u>
Fund Balance, End of Year	<u><u>\$ 24,119</u></u>	<u><u>\$ 24,728</u></u>	<u><u>\$ 22,066</u></u>	<u><u>\$ 22,234</u></u>	<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>\$ 22,469</u></u>	<u><u>\$ 20,490</u></u>

NOTES:

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

Table F
Grand Rapids-Kent County Convention/Arena Authority
15 Year Fund Balance Projection
(In Thousands)
May 16, 2017

	Beginning Fund Balance	Revenues	Expenses	Net Income/ (Loss)	Capital	Ending Fund Balance
FY 2018	22,469	14,318	(12,412)	1,906	(3,885)	20,490
FY 2019	20,490	14,633	(12,647)	1,986	(3,825)	18,393
FY 2020	18,393	15,002	(12,887)	2,115	(2,236)	18,272
FY 2021	18,272	15,494	(13,132)	2,362	(2,279)	18,355
FY 2022	18,355	15,815	(13,380)	2,435	(2,322)	18,468
FY 2023	18,468	16,143	(13,635)	2,508	(5,451)	15,525
FY 2024	15,525	16,387	(13,893)	2,494	(5,599)	12,420
FY 2025	12,420	16,634	(14,157)	2,477	(5,698)	9,199
FY 2026	9,199	16,883	(14,426)	2,457	(5,797)	5,859
FY 2027	5,859	17,137	(14,701)	2,436	(5,946)	2,349
FY 2028	2,349	17,393	(14,981)	2,412	(1,859)	2,902
FY 2029	2,902	17,780	(15,266)	2,514	(1,890)	3,526
FY 2030	3,526	18,177	(15,557)	2,620	(1,935)	4,211
FY 2031	4,211	18,584	(15,853)	2,731	(1,966)	4,976
FY 2032	4,976	19,001	(16,155)	2,846	(2,012)	5,810

NOTES:

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

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

Capital - Indexed at 2% per annum.

DEVOS PLACE

DE VOS PLACE

OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2018

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

Distribution:

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



An SMG Managed Facility

DeVos Place
Fiscal Year Ending June 30, 2018
Lead Income Statement

	FY 2018 Budget	Prior Year FY 2017 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
Event Income				
Direct Event Income				
Rental Income	3,366,400	3,547,931	(181,531)	-5.12%
Service Income	3,235,500	3,423,397	(187,897)	-5.49%
Service Expenses	(3,406,000)	(3,664,706)	258,706	-7.06%
Total Direct Event Income	3,195,900	3,306,622	(110,722)	-3.35%
Ancillary Income				
F & B Concessions	200,300	231,833	(31,533)	-13.60%
F & B Catering	853,000	853,004	(4)	0.00%
Novelty Sales	18,500	36,335	(17,835)	-49.08%
Booth Cleaning	329,460	324,122	5,338	1.65%
Telephone/Long Distance	-	1,463	(1,463)	-100.00%
Electrical Services	412,500	420,740	(8,240)	-1.96%
Audio Visual	341,850	371,968	(30,118)	-8.10%
Internet Services	155,100	114,746	40,354	35.17%
Equipment Rental	222,700	198,422	24,278	12.24%
Total Ancillary Income	2,533,410	2,552,633	(19,223)	-0.75%
Other Event Income				
Ticket Rebates (Per Event)	501,000	508,351	(7,351)	-1.45%
Total Other Event Income	501,000	508,351	(7,351)	-1.45%
Total Event Income	6,230,310	6,367,606	(137,296)	-2.16%
Other Operating Income	107,000	46,711	60,289	129.07%
Adjusted Gross Income	6,337,310	6,414,317	(77,007)	-1.20%
Operating Expenses				
Employee Salaries and Wages	3,587,386	3,449,680	(137,706)	-3.99%
Benefits	1,188,757	1,080,123	(108,634)	-10.06%
Less: Event Labor Allocations	(2,278,065)	(2,144,758)	133,307	-6.22%
Net Employee Wages and Benefits	2,498,078	2,385,045	(113,033)	-4.74%
Contracted Services	284,300	292,682	8,382	2.86%
General and Administrative Operations	397,873	389,731	(8,142)	-2.09%
Repair & Maintenance	138,850	121,522	(17,328)	-14.26%
Supplies	577,199	567,121	(10,078)	-1.78%
Insurance	290,700	312,853	22,153	7.08%
Utilities	249,648	263,234	13,586	5.16%
SMG Management Fees	1,542,800	1,639,148	96,348	5.88%
Total Operating Expenses	177,134	173,662	(3,472)	-2.00%
Net Income (Loss) From Operations	6,156,582	6,144,998	(11,584)	-0.19%
Net Income (Loss) From Operations	180,728	269,319	(88,591)	-32.89%
Other Income (Expenses)				
Net Income After Other Income (Expenses)	180,728	269,319	(88,591)	-32.89%

DeVos Place
Fiscal Year Ending June 30, 2018
Lead Income Statement

	Total	Prior Year FY 2017 Rolling Forecast	Variance More / (Less)
Gross Services Billed			
Advertising	50,007	52,911	(2,904)
Changeover	17,377	18,386	(1,009)
Stagehands	1,887,037	2,103,716	(216,679)
Security	379,731	357,162	22,569
Ushers/Ticket Takers	245,031	259,261	(14,230)
Box Office - Labor	31,179	32,991	(1,812)
Box Office - Ticketing Services	323,685	280,013	43,672
Utilities	16,417	17,371	(954)
City/Police/Fire	26,587	28,132	(1,545)
EMT's	57,256	60,581	(3,325)
Cleaning	56,124	59,382	(3,258)
Insurance	8,274	8,754	(480)
Group Sales Commission	3,163	3,347	(184)
Telephone	5,233	5,536	(303)
Other Production	128,398	135,854	(7,456)
Total Services Billed	3,235,500	3,423,397	(187,898)
Gross Services Expense			
Advertising	84,833	90,743	(5,910)
Stagehands	1,741,478	1,884,208	(142,730)
Security	509,494	544,992	(35,498)
Ushers/Ticket Takers	162,086	173,380	(11,294)
Box Office - Labor	39,663	42,426	(2,763)
Box Office - Ticketing Services	73,958	79,110	(5,152)
City/Police/Fire	18,522	19,813	(1,291)
EMT's	50,509	54,028	(3,519)
Cleaning	537,332	574,770	(37,438)
Insurance	7,113	7,608	(495)
Group Sales Commission	2,710	2,899	(189)
Telephone	1,029	1,102	(73)
Other Production	177,274	189,627	(12,353)
Total Services Expense	3,406,000	3,664,706	(258,705)
Total Service Income (Loss)	(170,500)	(241,309)	70,807

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2018

Position	F/Y 2017			F/Y 2018			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Assistant General Manager	0.50	1.50	2.00	0.50	1.50	2.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	-	-	-	(1.00)
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Promotions & Special Events Manage	-	-	-	0.50	0.50	1.00	1.00
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Facilities Engineer	-	-	-	0.50	0.50	1.00	1.00
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	6.00	10.00	4.00	6.00	10.00	-
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager	-	1.00	1.00	-	1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	1.00	4.00	5.00	1.00	4.00	5.00	-
House Manager	-	1.00	1.00	-	1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	28.46	34.54	63.00	28.96	35.04	64.00	1.00

3

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2018**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2017 Forecast
Net Revenue above Expenses	1,269,298	162,464	1,431,762	2,172,577
Benchmark++			750,000	750,000
Excess	1,269,298	162,464	681,762	1,422,577

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	177,134	177,134	354,268	347,322
Incentive Fee				
Revenue	5,862,420	6,317,310	12,179,730	12,945,076
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,600,000
Revenue Excess	712,420	1,767,310	2,479,730	3,345,076
Incentive Fee **	101,780	252,488	354,268	347,322
Total SMG Management Fee	278,914	429,622	708,536	694,644

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

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

4



VAN ANDEL ARENA

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2018**

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

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
Fiscal Year Ending June 30, 2018
Lead Income Statement

	FY 2018 Budget	Prior Year FY 2017 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
Event Income				
Direct Event Income				
Rental Income	2,138,150	2,618,744	(480,594)	-18.35%
Service Income	2,192,000	2,208,823	(16,823)	-0.76%
Service Expenses	(2,812,500)	(3,094,486)	281,986	-9.11%
Total Direct Event Income	1,517,650	1,733,081	(215,431)	-12.43%
Ancillary Income				
F & B Concessions	1,221,650	1,495,109	(273,459)	-18.29%
F & B Catering	98,320	136,270	(37,951)	-27.85%
Novelty Sales	77,700	133,109	(55,409)	-41.63%
Booth Cleaning	-	1,386	(1,386)	
Other Ancillary	-	19,458	(19,458)	-100.00%
Total Ancillary Income	1,397,670	1,785,332	(387,663)	-21.71%
Other Event Income				
Ticket Rebates (Per Event)	679,500	679,566	(66)	-0.01%
Total Other Event Income	679,500	679,566	(66)	-0.01%
Total Event Income	3,594,820	4,197,979	(603,160)	-14.37%
Other Operating Income	2,267,600	2,332,780	(65,180)	-2.79%
Adjusted Gross Income	5,862,420	6,530,759	(668,340)	-10.23%
Operating Expenses				
Employee Salaries and Wages	2,509,188	2,435,710	(73,478)	-3.02%
Benefits	761,158	686,805	(74,353)	-10.83%
Less: Event Labor Allocations	(1,295,098)	(1,267,692)	27,406	-2.16%
Net Employee Wages and Benefits	1,975,248	1,854,823	(120,425)	-6.49%
Contracted Services	253,800	251,824	(1,976)	-0.78%
General and Administrative Operations	309,870	367,300	57,430	15.64%
Repair & Maintenance	96,784	102,288	5,504	5.38%
Supplies	363,090	374,038	10,948	2.93%
Insurance	249,500	266,800	17,300	6.48%
Utilities	176,832	211,180	34,348	16.26%
SMG Management Fees	992,600	1,025,587	32,987	3.22%
Total Operating Expenses	177,134	173,661	(3,473)	-2.00%
Net Income (Loss) From Operations	4,594,858	4,627,501	32,643	0.71%
Net Income (Loss) From Operations	1,267,562	1,903,258	(635,697)	-33.40%
Other Income (Expenses)	-	-	-	-
Net Income After Other Income (Expenses)	1,267,562	1,903,258	(635,697)	-33.40%

Van Andel Arena
Fiscal Year Ending June 30, 2018
Summary of Service Income

		Prior Year FY 2017 Rolling Forecast	Variance More / (Less)
	Total		
Gross Services Billed			
Advertising	570,484	574,862	(4,378)
Labor	18,472	18,614	(142)
Changeover	128,682	129,670	(988)
Stagehands	689,046	694,334	(5,288)
Security	105,970	106,783	(813)
Ushers/Ticket Takers	93,013	93,727	(714)
Box Office - Labor	7,728	7,787	(59)
Box Office - Ticket Service	109,673	110,515	(842)
City/Police/Fire	10,660	10,742	(82)
EMT's	16,424	16,550	(126)
Cleaning	97,741	98,491	(750)
Group Sales Commission	27,987	28,202	(215)
Telephone	16,696	16,824	(128)
Other Production	299,424	301,722	(2,298)
Total Service Income Billed	2,192,000	2,208,823	(16,823)
Gross Services Expense			
Advertising	523,862	576,385	(52,523)
Labor	12,645	13,913	(1,268)
Contracted Changeover	197,879	217,719	(19,840)
Stagehands	618,036	680,001	(61,965)
Contracted Security	244,433	268,940	(24,507)
Contracted Ushers/Ticket Takers	219,017	240,976	(21,959)
Box Office Labor	4,975	5,474	(499)
Contracted Ticketing Service	83,831	92,236	(8,405)
City/Police/Fire	20,737	22,816	(2,079)
Contracted EMT's	29,995	33,002	(3,007)
Contracted Cleaning	208,123	228,990	(20,867)
Group Sales Commission	9,754	10,731	(977)
Allocated Telephone	4,210	4,632	(422)
Other Production Expense	635,005	698,671	(63,666)
Total Services Expense	2,812,500	3,094,486	(281,984)
Total Service Income (Loss)	(620,500)	(885,663)	265,161

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2018

Position	F/Y 2017			F/Y 2018			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Assistant General Manager	0.50	1.50	2.00	0.50	1.50	2.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	-	-	-	(1.00)
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Promotions & Special Events Manage	-	-	-	0.50	0.50	1.00	1.00
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Facilities Engineer	-	-	-	0.50	0.50	1.00	1.00
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	6.00	10.00	4.00	6.00	10.00	-
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager	-	1.00	1.00	-	1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	1.00	4.00	5.00	1.00	4.00	5.00	-
House Manager	-	1.00	1.00	-	1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	28.46	34.54	63.00	28.96	35.04	64.00	1.00

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2018**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2017 Forecast
Net Revenue above Expenses	1,269,298	162,464	1,431,762	2,172,577
Benchmark++			750,000	750,000
Excess	1,269,298	162,464	681,762	1,422,577
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	177,134	177,134	354,268	347,322
Incentive Fee				
Revenue	5,862,420	6,317,310	12,179,730	12,945,076
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,600,000
Revenue Excess	712,420	1,767,310	2,479,730	3,345,076
Incentive Fee **	101,780	252,488	354,268	347,322
Total SMG Management Fee	<u>278,914</u>	<u>429,622</u>	<u>708,536</u>	<u>694,644</u>

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

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



May 15, 2017

TO: CAA Finance Committee, 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 2018 through FY June 2022. SMG has established a five-year rate card for DeVos Place® to provide potential clients the option to secure rental rates in outlying years, and in some instances multiple years.

Historically, while rental rates at DeVos Place® have not increased more than 3.25% each year, over the past few years (averaging between 2.75% - 3%); our rates continue to hover in the mid-range on the regional average. Our current pricing schedules reflect current economic assumptions in the regional market place and knowledge of rental rates of comparable venues of similar size in the country.

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

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

We consider our current 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 five-year rental rate card, we position ourselves appropriately to deliver the most value for the quality of product we serve.

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

Attachments: Rental Rate Schedules FY's 2018, 2019, 2020, 2021, 2022**

**Seeking Approval

ROOM RENTAL RATES

FY 2018 (July 1, 2017 – June 30, 2018)

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

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 2019 (July 1, 2018 – June 30, 2019)

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

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ROOM RENTAL RATES

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

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

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ROOM RENTAL RATES

FY 2021(July 1, 2020 – June 30, 2021)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,700 vs 12%	\$3,700/1 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

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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

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**Van Andel Arena®
DeVos Place®**

Memorandum

To: CAA Board of Directors
From: Richard MacKeigan
Dates: May 15, 2017
Re: Monroe Activation Study

During the last CAA meeting, Progressive's report on the activation of Monroe Meeting Rooms was presented. The report identified a hotel as a viable option for the site and recommended a full market analysis be done to confirm or correct the assessed viability.

To complete this the CAA would need to identify firms and/or individuals that could perform a hotel market analysis study as it relates to the Monroe Meeting Room areas. The process should include the development of a 'Scope of Services' document, which may or may not be in the form of a formal RFP or RFQ. Initial inquiries have determined these studies range in cost between \$50,000 and \$75,000.

The question of a Convention Center Expansion Study has also come up and there could be some value in having this study and the Hotel Study

performed concurrently by the same firm. Initial conversations with stakeholders indicate a willingness to participate in the financing of a Convention Center Expansion Study. I believe this only makes sense to the CAA if the two studies are stand alone, separate work products.

Based on this information as well as the Progressive Report's findings, I recommend the following...

- The CAA allocate \$125,000 for consulting services in the 2017/18 budget to cover the Hotel Study, as well as a portion of a Convention Center Expansion Study.
- The CAA approve Richard MacKeigan and Sue Waddell to develop a scope of services document, as well as identify potential firms that could perform the work.
- The CAA approve Richard MacKeigan to pursue the option of combining the Monroe Hotel Study with the Convention Expansion Study.

If approved, I would foresee the findings/work be shared with Monroe Activation Task Force members for their review and input and then a recommendation be brought to the CAA for the execution of an agreement to perform the study.

Please feel free to contact me should there be any questions or concerns.

**SECOND AMENDMENT TO FINANCIAL SERVICES
EMPLOYMENT AGREEMENT**

THIS SECOND AMENDMENT TO FINANCIAL SERVICES EMPLOYMENT AGREEMENT (the “Second Amendment”) is made as of July 1, 2017, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, an Authority created pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended (the “CAA”), of 303 Monroe Avenue, N.W., Grand Rapids, Michigan 49503, and **ROBERT J. WHITE**, an individual (“White”), of 1721 Oakleigh Woods, N.W., Grand Rapids, Michigan 49504.

RECITALS

A. The CAA and White have previously entered into (i) a Financial Services Employment Agreement (“Agreement”) dated as of January 1, 2010, and for a term ending June 30, 2013, (ii) and a First Amendment to Financial Services Employment Agreement dated as of July 1, 2013, extending the term of the Agreement one additional year, ending June 30, 2014. Subsequently, the CAA approved extensions of the Agreement for three additional years, ending June 30, 2017.

B. Pursuant to the Agreement, White has provided the CAA with certain enhanced financing, contract monitoring, budgeting, and related services, compensated at the rate of \$125 per hour for no more than 200 hours during each twelve-month period.

C. The CAA and White desire to extend the term of the Agreement pursuant to this Second Amendment for an additional year.

D. The CAA has elected to compensate White at the rate of \$130 per hour, determined to the nearest quarter hour; provided, however, White will not work more than 200 hours during the twelve-month period.

NOW, THEREFORE, the CAA and White agree as follows:

Section 1. Extension of Agreement Term. The term of the Agreement is extended for one year, ending June 30, 2018.

Section 2. Compensation. White will be compensated for the services he performs under the Agreement at the rate of \$130 per hour, determined to the nearest quarter hour; provided, however, White will not work more than 200 hours during the twelve-month period.

Section 3. Ratification. The Agreement is, in all other respects, hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties here signed this Second Amendment as of the date shown in the first written above.

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

By: _____

ROBERT J. WHITE

By: _____