



Agenda

Board of Directors

Friday, May 3, 2019

Following CAA Finance Committee Meeting

Kent County Commission Chambers

300 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|-----|---|----------------|
| 1. | Call to Order | Birgit Klohs |
| 2. | Minutes of April 12, 2019 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | Information |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending March 31, 2019 | Action |
| | ii. SMG March 2019 Financial Statements – DeVos Place® and Van Andel Arena® | Information |
| 4. | Preliminary Review of FY 2020 Budgets | Information |
| | A. Consolidated CAA Budgets | |
| | B. DeVos Place® and Van Andel Arena Operating/Capital Budgets | |
| 5. | Preliminary Review of 2020-2024 DeVos Place® Rate Sheets | Information |
| 6. | Extension of Financial Services Employment Agreement | Action |
| 7. | Parking Operation and Maintenance Agreement – Van Andel Arena® | Action |
| 8. | Auto Parking System Periodic Reporting | Information |
| 9. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 10. | Public Comment | |
| 11. | CAA Board Member Comments | |
| 12. | Adjournment | |

Next Meeting Date: Friday, June 7, 2019
Joint CAA Board & Committee Meeting

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
300 MONROE AVENUE, NW | GRAND RAPIDS, MI
Friday, April 12, 2019**

Attendance

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

Members Absent: Lew Chamberlin

Staff/Others:	Mike Lloyd	Broadway Grand Rapids
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Brian McVicar	<i>MLive/The Grand Rapids Press</i>
	Tim Nelson	Experience Grand Rapids
	Eddie Tadlock	SMG
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	Richard Wendt	Dickinson Wright

1. Call to Order

Chair Heacock called the meeting to order at 9:05 a.m. Treasurer, Richard Winn, recorded the meeting minutes.

2. Minutes of Prior Meeting

Motion by Ms. Klohs, support by Ms. Bliss, to approve the February 1, 2019, Minutes. Motion carried.

3. Committee Reports

A. Operations Committee

Mr. Heacock reported that there was nothing to carry forward from the Operations Committee meeting.

B. Finance Committee

i. Acceptance of February 2019 Consolidated Financial Statement

Mr. Winn presented the consolidated financial report for the period ended February 28, 2019. The dashboard showed that 22 concerts generated \$2,163,527 in event revenue, an increase of 42.7% from prior year (16 concerts) of \$1,516,496. Convention/trade show business generated \$1,532,814 in event revenue, an increase of +9.2% from prior year (attendance decreased from 89,857 to 86,884) of \$1,404,208. Financial trends showed that the Arena net proceeds of \$1,946,268 increased by 29.4% from

prior year of \$1,503,746, while DeVos Place® net proceeds of \$842,078 decreased by (25.0%) from prior year of \$1,122,246. The third quarter roll will be presented at the May meeting.

Motion: Mr. Winn, supported by Ms. Bliss, moved to accept the February 2019 Consolidated Financial Statements. Motion carried.

ii. SMG February 2019 DeVos Place® and Van Andel Arena®
Financial Statements

Mr. Machuta reported that DeVos Place® had a very good February with overall revenues coming in consistent with budget. The Van Andel Arena® had a very strong February with sold out Professional Bull Riders, strong-selling WWE, Kelly Clarkson, and Alan Jackson concerts.

4. Preliminary FY 2020 Capital Plan

The preliminary FY 2020 capital plan was included as an information item.

5. 15-Year Capital Outlook

The 15-year capital outlook was included as an information item.

6. Proof of Concept Task Force Update

The task force charge, along with background information, was included as an information item. The task force is talking about bringing in a temporary employee to assist the task force with writing reports, monitoring progress of the projects, and getting things ready for the CAA Board.

7. SMG Report

Mr. MacKeigan reported that he will be attending, in May, the International Entertainment Buyers Association convention in Nashville. They are hosting a social in Los Angeles where SMG will be hosting a set of booking meetings. SMG corporate will hold its marketing meetings in June, which is being held in Toronto this year. In July, there are the annual operations and general managers' meetings. SMG has its own trade show, as well as company-wide meetings. The SMG network is not just a phone call or email away. There are opportunities to meet and leverage the strength of having over 200 buildings under the SMG portfolio. If there are any questions on the capital list, please send either Chris or me an email.

8. Public Comment

None.

9. Adjournment

The meeting adjourned at 9:20 a.m. The next CAA Board meeting is Friday, May 3, 2019.

Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
March 31, 2019**

	Page
Dashboard	1
Summary by Facility	
Rolling Forecast	2
Year-to-Date Comparable	3
Trend Analysis	
Monthly Net Operating Proceeds - FY18 & FY19	4
Lagging 12-Month Comparison - 4/16 Through 3/19	5
Significant Notes	6
Administrative Accounts	
Year-to-Date Comparable	7
Capital Projects - Third Quarter Roll	8



**Financial Dashboard
Year-To-Date (9 Months)
March 31, 2019**

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	95	74	84	21	21	28
Attendance	587,438	488,500	617,398	181,004	175,000	255,334
Event Income	\$ 3,675,045	\$ 2,785,855	\$ 4,214,351	\$ 2,100,851	\$ 1,677,365	\$ 2,834,104
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	411	383	413	115	128	123
Attendance	586,007	490,165	525,764	113,007	115,610	98,134
Event Income	\$ 5,637,400	\$ 5,292,459	\$ 5,348,713	\$ 1,678,998	\$ 1,664,611	\$ 1,705,964
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 3,850,489	\$ 2,230,735	\$ 4,129,366
Capital/Repair/Replacement				(1,741,552)	(3,068,409)	(2,355,421)
Net - To/(From) on Fund Balance				\$ 2,108,937	\$ (837,674)	\$ 1,773,945

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2018

\$ 23,703,790

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2019

	FY 2019				FY 2018
	7/1 - 3/31				
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 6,222,314	\$ 2,126,424	\$ 8,348,738	\$ 5,847,699	\$ 6,767,205
- Expenses - Facilities	(3,187,638)	\$ (1,252,232)	(4,439,870)	(4,302,641)	(4,536,357)
- Base Management Fees	(132,330)	\$ (44,110)	(176,440)	(176,440)	(176,440)
- Incentive Fee	-	\$ (197,943)	(197,943)	(92,319)	(133,957)
Net Operating Income (Loss)	2,902,346	\$ 632,139	3,534,485	1,276,299	1,920,451
Parking	302,028	\$ 81,452	383,480	454,000	366,974
Pedestrian Safety	(55,188)	\$ (39,380)	(94,568)	(110,000)	(82,923)
Net Proceeds (Cost) of VAA	3,149,186	\$ 674,211	3,823,397	1,620,299	2,204,502
DeVos Place Convention Center					
Operating - Revenues	5,380,374	\$ 1,673,405	7,053,779	6,519,176	7,192,939
- Expenses - Facilities	(5,096,726)	\$ (1,513,447)	(6,610,173)	(6,360,926)	(6,803,548)
- Base Management Fees	(132,330)	\$ (44,110)	(176,440)	(176,440)	(176,440)
- Incentive Fee	-	\$ (154,937)	(154,937)	(260,561)	(218,923)
Net Operating Income (Loss)	151,318	\$ (39,089)	112,229	(278,751)	(5,972)
Parking	1,029,156	\$ 252,344	1,281,500	1,247,069	1,272,941
Pedestrian Safety	(29,494)	\$ (20,506)	(50,000)	(58,100)	(45,050)
Net Proceeds (Cost) of DVP	1,150,980	\$ 192,749	1,343,729	910,218	1,221,919
Other					
Revenues	422,773	\$ 187,500	610,273	512,000	397,523
Expenses	(593,573)	\$ (479,286)	(1,072,859)	(1,123,131) ⁽³⁾	(913,502) ⁽²⁾
Net Other	(170,800)	\$ (291,786)	(462,586)	(611,131)	(515,979)
Total Net Proceeds/Operating	4,129,366	\$ 575,174	4,704,540	1,919,386	2,910,442
Capital Expenditures	(2,355,421)	\$ (3,119,791)	(5,475,212)	(6,188,190) ⁽⁴⁾	(2,618,105)
Results Net of Capital Expenditures	\$ 1,773,945	\$ (2,544,617)	\$ (770,672)	\$ (4,268,804)	\$ 292,337

Notes:

⁽¹⁾ Third Quarter Update to be Provided with April Financial Report (5/3/19 Board Meeting).

⁽²⁾ Includes One-Time Contribution, of \$200,000, to Deferred Compensation Plan.

⁽³⁾ Includes budget amendment to provide for hotel study carryover balance of \$39,513.

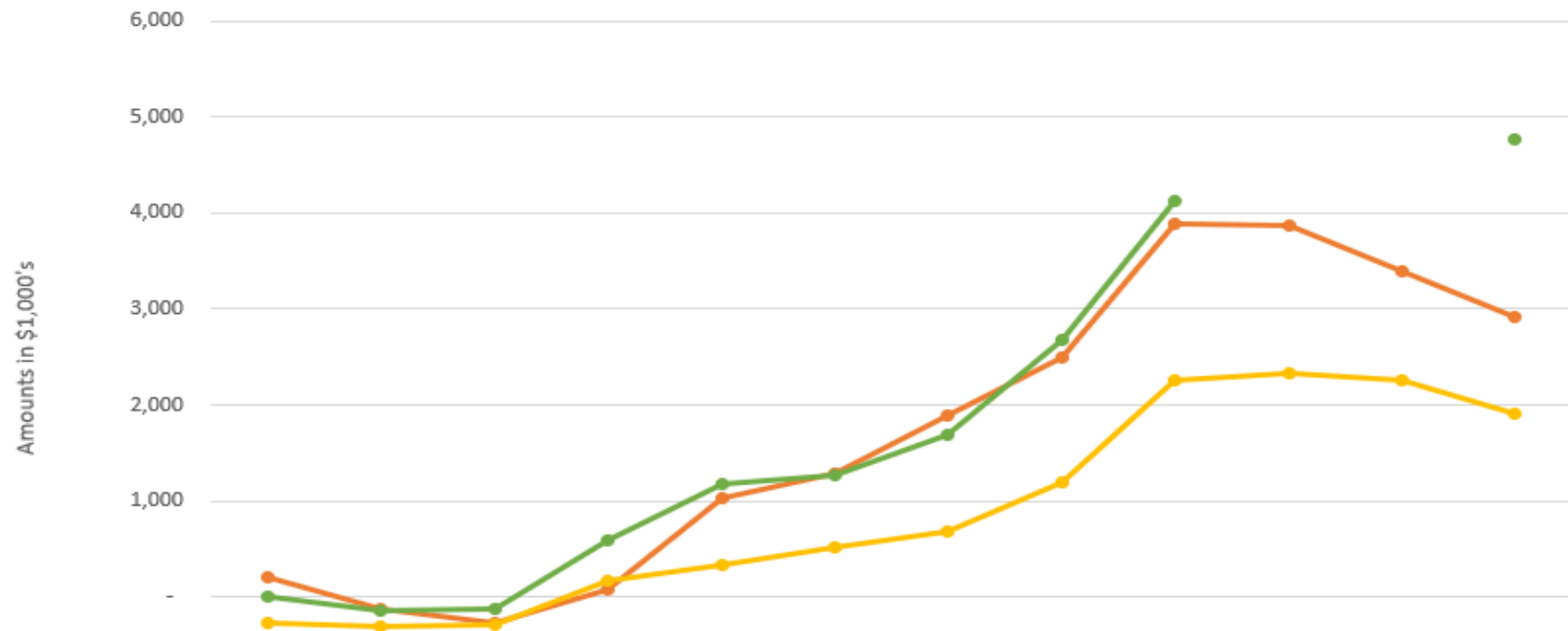
⁽⁴⁾ Includes budget amendment to provide for several capital project balances carried over from FY 18. See June 2018 consolidated financial report for details.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2019

	Annual			Year-To-Date		
	FY 2018 Final	FY 2019 Budget	Percentage Change	FY 2018 7/1-3/31	FY 2019 7/1 - 3/31	Percentage Change
Van Andel Arena						
Operating - Revenues	\$ 6,767,205	\$ 5,847,699	(13.6)	\$ 5,483,181	\$ 6,222,314	13.5
- Expenses - Facilities	(4,536,357)	(4,302,641)	5.2	(3,258,380)	(3,187,638)	0.2
- Base Management Fees	(176,440)	(176,440)	0.0	(132,330)	(132,330)	0.0
- Incentive Fee	(133,957)	(92,319)	31.1	-	-	-
Net Operating Income (Loss)	1,920,451	1,276,299	(33.5)	2,092,471	2,902,346	38.7
Parking	366,974	454,000	23.7	286,250	302,028	5.5
Pedestrian Safety	(82,923)	(110,000)	(32.7)	(53,074)	(55,188)	(4.0)
Net Proceeds (Cost) of VAA	2,204,502	1,620,299	(26.5)	2,325,647	3,149,186	35.4
DeVos Place Convention Center						
Operating - Revenues	7,192,939	6,519,176	(9.4)	5,687,348	5,380,374	(5.4)
- Expenses - Facilities	(6,803,548)	(6,360,926)	6.5	(4,924,783)	(5,096,726)	(3.5)
- Base Management Fees	(176,440)	(176,440)	0.0	(132,330)	(132,330)	0.0
- Incentive Fee	(218,923)	(260,561)	(19.0)	-	-	-
Net Operating Income (Loss)	(5,972)	(278,751)	(4567.6)	630,235	151,318	(76.0)
Parking	1,272,941	1,247,069	(2.0)	1,029,313	1,029,156	0.0
Pedestrian Safety	(45,050)	(58,100)	(29.0)	(28,208)	(29,494)	(4.6)
Net Proceeds (Cost) of DVP	1,221,919	910,218	(25.5)	1,631,340	1,150,980	(29.4)
Other						
Revenues	397,523	512,000	28.8	306,365	422,773	38.0
Expenses	(913,502)	(1,123,131)	(22.9)	(412,864)	(593,573)	(43.8)
Net Other	(515,979)	(611,131)	(18.4)	(106,499)	(170,800)	(60.4)
Total Net Proceeds/Operating	2,910,442	1,919,386	(34.1)	3,850,488	4,129,366	7.2
Capital/Repair Expenditures	(2,618,105)	(6,188,190)	(136.4)	(1,741,552)	(2,355,421)	(35.2)
Results Net of Capital Expenditures	\$ 292,337	(4,268,804)	(1,460.2)	\$ 2,108,936	\$ 1,773,945	(15.9)

CAA Trends

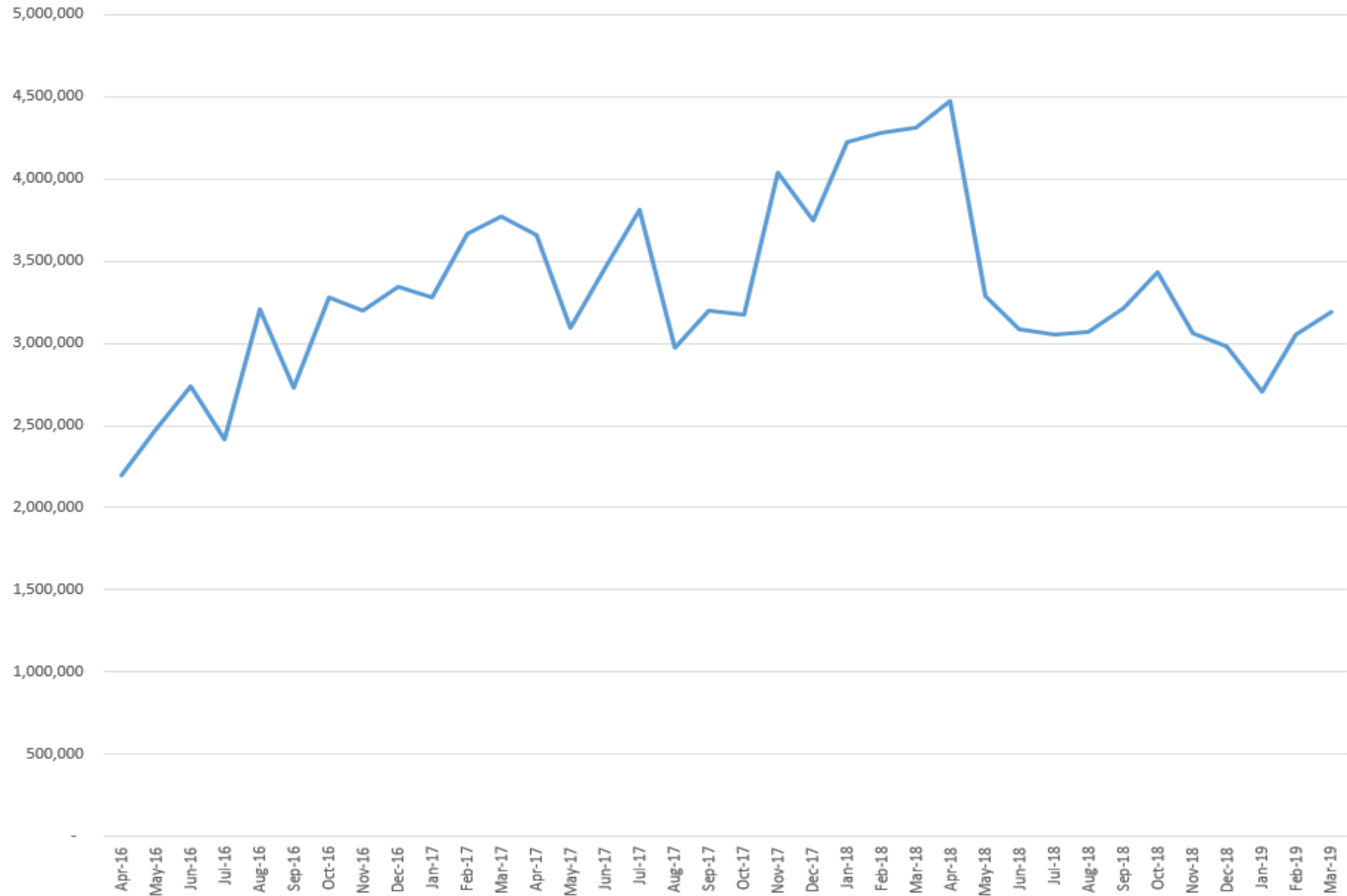
Monthly Net Operating Proceeds through March 31, 2019



(1,000)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY18 Actual	213	(121)	(274)	85	1,033	1,290	1,899	2,494	3,895	3,866	3,398	2,910
FY19 Budget	(266)	(312)	(290)	174	339	527	693	1,194	2,254	2,328	2,261	1,919
FY19 Actual	4	(134)	(125)	590	1,177	1,267	1,697	2,675	4,129			4,766

Accumulative Net Proceeds by Month

Lagging 12 Months Net Operating Proceeds



Significant Notes

Van Andel Arena®

- Page 1 - Twenty-eight concerts generated \$2,834,104 in event revenue, an increase of 34.9% from prior year (21 concerts) of \$2,100,851.
- Page 3 - Net proceeds of \$3,149,188 increased by 35.4% from prior year of \$2,325,647.

DeVos Place®

- Page 1 - Convention/trade show business generated \$1,705,964 in event revenue, an increase of +1.6% from prior year (attendance decreased from 113,007 to 98,134) of \$1,678,998.
- Page 3 - Net "proceeds" of \$1,150,980 decreased by (29.4%) from prior year Net Proceeds of \$1,631,341.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
March 31, 2019

	Annual			Actual		
	FY 2018 Final	FY 2019 Budget	Percentage Change	FY 2018 7/1-3/31	FY 2019 7/1-3/31	Percentage Change
Other						
Revenues						
Interest/Capital Contr.	\$ 282,816	\$ 392,000	38.6	\$ 192,981	\$ 309,270	60.3
Miscellaneous	114,707	120,000	4.6	113,384	113,503	0.1
	<u>397,523</u>	<u>512,000</u>	<u>28.2</u>	<u>306,365</u>	<u>422,773</u>	<u>38.0</u>
Expenses						
Marketing (CVB/Sports)	208,333	200,000	(4.0)	75,000	200,000	166.7
Diversity Initiative	60,420	275,000	355.1	41,533	19,361	(53.4)
Wages/Benefits	141,012	140,318	(0.5)	93,927	94,259	0.4
Professional Services	86,103	78,000	(9.4)	48,393	39,241	(18.9)
DID Assessment	60,326	58,200	(3.5)	40,254	62,616	55.6
Food & Beverage Repairs	-	40,000	100.0+	-	-	-
Consulting Services	73,006	189,513 ⁽¹⁾	159.6	26,857	104,865	290.5
Landscaping	24,346	25,000	2.7	24,346	11,340	(53.4)
Procurement of Art	13,188	30,000	127.5	9,449	27,293	188.8
Insurance	14,713	27,100	84.2	21,260	21,457	0.9
Supplies/Other	232,055 ⁽²⁾	60,000	(74.1)	31,845	13,141	(58.7)
	<u>913,502</u>	<u>1,123,131</u>	<u>22.9</u>	<u>412,864</u>	<u>593,573</u>	<u>43.8</u>
Net Proceeds - Operating	<u>\$ (515,979)</u>	<u>\$ (611,131)</u>	<u>(18.4)</u>	<u>\$ (106,499)</u>	<u>\$ (170,800)</u>	<u>(60.4)</u>

Notes:

⁽¹⁾ Includes SMG \$53,225 and \$39,513 for hotel study, and \$96,775 for "destination asset study follow-up work."

⁽²⁾ Includes \$200,000 one-time payment to deferred comp. trust.

Grand Rapids-Kent County Convention/Arena Authority
 Van Andel Arena/DeVos Place
 Capital Budget 2019
 Jhorton
 ROLLING FORCAST AS OF March 31, 2019

Item #	Project	Budget	Actual Thru Third Quarter	Estimated Fourth Quarter	Estimated Total 2019	(Over)Under Budget	Estimated Carry to 2020
CARRYOVER							
6200.01	VAA - Arc Flash Analysis	\$ 2,750.00	\$ 6,113.00		\$ 6,113.00	\$ (3,363.00)	
6200.04	VAA - Elevator Modernization	\$ 61,308.10	\$ 67,862.30		\$ 67,862.30	\$ (6,554.20)	
6200.14	DVP - Landscaping Trees	\$ 130,000.00	\$ 122,100.00	\$ 4,500.00	\$ 126,600.00	\$ 3,400.00	
6200.15	DVP - Arc Flash Analysis	\$ 27,225.00	\$ 30,765.00		\$ 30,765.00	\$ (3,540.00)	
6200.19	DVP - Michigan Dock Door	\$ 799,106.49	\$ 490,250.22		\$ 490,250.22	\$ 308,856.27	
6200.22	DVP - Welsh Lobby Exterior	\$ 37,800.00	\$ 37,800.00		\$ 37,800.00	\$ -	
VAN ANDEL ARENA							
6200.25	Aisle lighter to LED / ION Board	\$ 80,000.00	\$ 77,548.76		\$ 77,548.76	\$ 2,451.24	
6200.26	Compressor Rebuilds (3)	\$ 90,000.00	\$ 86,792.70		\$ 86,792.70	\$ 3,207.30	
6200.27	New Roof Phase 1	\$ 1,000,000.00		\$ 899,765.00	\$ 899,765.00	\$ 100,235.00	
6200.28	South End Concrete Repair	\$ 70,000.00	\$ 69,865.00		\$ 69,865.00	\$ 135.00	
6200.29	Food & Beverage	\$ 35,000.00		\$ 35,000.00	\$ 35,000.00	\$ -	
6200.30	Suite Refresher	\$ 200,000.00			\$ -	\$ 200,000.00	200,000.00
6200.31	Lockeroom Upgrades	\$ 1,000,000.00		\$ 1,000,000.00	\$ 1,000,000.00	\$ -	
6200.32	Landscaping	\$ 500,000.00	\$ 59,851.50	\$ 440,148.50	\$ 500,000.00	\$ -	
6200.33	Savor - POS System	\$ 200,000.00	\$ 157,815.45	\$ 17,184.55	\$ 175,000.00	\$ 25,000.00	
DE VOS PLACE							
6200.34	Loading dock/ramps/Ehall truss to LED	\$ 60,000.00	\$ 60,037.60		\$ 60,037.60	\$ (37.60)	
6200.35	Security Office & Lobby Changes/Cameras	\$ 80,000.00	\$ 23,048.25	\$ 36,211.06	\$ 59,259.31	\$ 20,740.69	
6200.36	Airwall Fabric Replacements	\$ 70,000.00		\$ 71,485.00	\$ 71,485.00	\$ (1,485.00)	
6200.37	Elevator Modernization	\$ 100,000.00		\$ 106,111.00	\$ 106,111.00	\$ (6,111.00)	
6200.38	Camera Additions ***now combined with Security Office 6200.35***				\$ -	\$ -	
6200.39	Snake Light Work	\$ 250,000.00	\$ 19,958.00		\$ 19,958.00	\$ 230,042.00	
6200.40	Theater Bathrooms	\$ 620,000.00	\$ 731,358.23	\$ 15,000.00	\$ 746,358.23	\$ (126,358.23)	
6200.41	OSHA Safety Changes	\$ 75,000.00		\$ 50,000.00	\$ 50,000.00	\$ 25,000.00	
6200.42	Performance Hall LED Lighting	\$ 100,000.00	\$ 100,790.44	\$ 21,450.00	\$ 122,240.44	\$ (22,240.44)	
6200.43	Lyon Street Landscaping	\$ 200,000.00		\$ 200,000.00	\$ 200,000.00	\$ -	
6200.46	Pump Replacement		\$ 36,400.00		\$ 36,400.00	\$ (36,400.00)	
6200.47	New Compactor						
BOTH VENUES							
6200.44	New Computers	\$ 150,000.00	\$ 76,993.48	\$ 73,006.52	\$ 150,000.00	\$ -	
6200.45	New Phone System	\$ 250,000.00	\$ 100,081.46	\$ 149,918.54	\$ 250,000.00	\$ -	
TOTALS		\$ 6,188,189.59	\$ 2,355,431.39	\$ 3,119,780.17	\$ 5,475,211.56	\$ 712,978.03	200,000.00

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2019

Distribution:

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



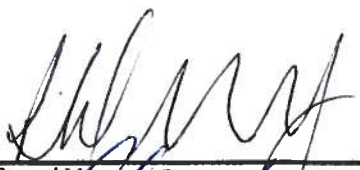
An SMG Managed Facility

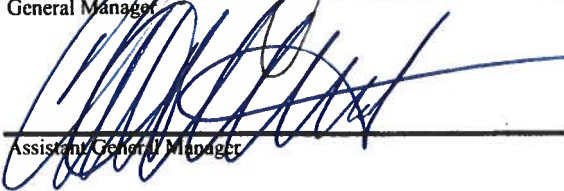
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2019

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	413	148	561	464	97
ATTENDANCE	525,764	125,180	650,944	679,555	(28,611)
DIRECT EVENT INCOME	2,662,850	706,417	3,369,267	3,208,133	161,134
ANCILLARY INCOME	2,113,964	820,138	2,934,102	2,631,492	302,610
OTHER EVENT INCOME	571,899	128,200	700,099	587,551	112,548
TOTAL EVENT REVENUE	5,348,713	1,654,755	7,003,468	6,427,176	576,292
TOTAL OTHER REVENUE	31,661	18,650	50,311	92,000	(41,689)
TOTAL OPERATING REVENUE	5,380,374	1,673,405	7,053,779	6,519,176	534,603
INDIRECT EXPENSES					
EXECUTIVE	164,275	64,096	228,371	242,647	14,276
FINANCE	183,497	75,764	259,261	292,819	33,558
MARKETING	151,357	65,360	216,717	220,461	3,744
OPERATIONS	839,491	355,410	1,194,901	1,591,984	397,083
EVENT SERVICES	1,312,725	452,496	1,765,221	1,308,112	(457,109)
BOX OFFICE	222,974	45,630	268,604	185,972	(82,632)
SALES	336,185	79,852	416,037	349,855	(66,182)
OVERHEAD	2,018,553	418,948	2,437,501	2,345,516	(91,985)
TOTAL OPERATING EXP.	5,229,056	1,557,556	6,786,613	6,537,366	(249,247)
NET REVENUE ABOVE EXPENSES	151,318	115,849	267,166	(18,190)	285,356
INCENTIVE FEE		154,937	154,937	260,561	105,624
NET OPERATING REVENUE OVER OPERATING EXPENSES	151,318	(39,088)	112,229	(278,751)	390,980

Comments:

DeVos Place continues to perform very strong for the fiscal year and it is anticipated that it will exceed budget overall, however, fall short of the record year last year.


General Manager


Assistant General Manager

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2019

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

MONTH	March Actual	March Budget	March FY 2018
Number of Events	69	72	73
Attendance	107,423	99,200	110,684
Direct Event Income	\$505,829	\$532,726	\$558,739
Ancillary Income	348,097	371,155	356,076
Other Event Income	114,465	66,929	59,723
Other Operating Income	3,261	7,666	4,872
Indirect Expenses	(767,856)	(544,780)	(669,748)
Net Income	\$203,796	\$433,696	\$309,662

YTD	YTD 2019 Actual	YTD 2019 Budget	YTD 2018 Prior Year
Number of Events	413	383	411
Attendance	525,764	490,165	586,007
Direct Event Income	\$2,662,850	\$2,737,434	\$2,861,490
Ancillary Income	2,113,964	2,095,674	2,134,058
Other Event Income	571,899	459,351	641,852
Other Operating Income	31,661	68,994	49,948
Indirect Expenses	(5,229,056)	(4,903,020)	(5,057,113)
Net Income	\$151,318	\$458,433	\$630,236

EVENT INCOME

Event income came in a little behind budget, however, consistent with forecast.

ANCILLARY INCOME

Ancillary income came in a little ahead of budget and remains consistent year to date with budget and prior year.

INDIRECT EXPENSES

Indirect expenses came in higher than budget overall, however, remain relatively consistent with both budget and prior year.

Income Statement
For the Nine Months Ended March 31, 2019

	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	\$580,540	\$576,014	\$ 4,526	\$614,360	\$3,125,048	\$ 2,919,808	\$ 205,240	\$3,033,509
Service Revenue	456,835	522,069	(65,234)	345,248	2,732,298	2,754,769	(22,471)	2,483,703
Service Expenses	(531,546)	(565,357)	33,811	(400,869)	(3,194,496)	(2,937,143)	(257,353)	(2,655,722)
Total Direct Event Income	505,829	532,726	(26,897)	558,739	2,662,850	2,737,434	(74,584)	2,861,490
Ancillary Income								
F&B Concession	49,958	46,141	3,817	51,504	238,919	205,805	33,114	245,278
F&B Catering	88,145	100,422	(12,277)	84,542	674,330	653,208	21,122	645,786
Novelty Sales	3,660	3,740	(80)	1,922	28,796	29,760	(964)	39,947
Booth Cleaning	48,455	53,896	(5,441)	47,548	284,568	288,648	(4,080)	273,779
Telephone/Long Distance	225	480	(255)	450	675	2,145	(1,470)	8,771
Electrical Services	63,680	75,562	(11,882)	74,884	346,709	385,537	(38,828)	352,004
Audio Visual	51,666	42,339	9,327	46,532	265,983	239,036	26,947	279,023
Internet Services	15,758	22,867	(7,109)	24,705	102,347	109,001	(6,654)	92,449
Equipment Rental	26,550	25,708	842	23,989	171,637	182,534	(10,897)	197,021
Total Ancillary Income	348,097	371,155	(23,058)	356,076	2,113,964	2,095,674	18,290	2,134,058
Other Event Income								
Ticket Rebates(Per Event)	114,465	66,929	47,536	59,723	571,899	459,351	112,548	641,852
Total Other Event Income	114,465	66,929	47,536	59,723	571,899	459,351	112,548	641,852
Total Event Income	968,391	970,810	(2,419)	974,538	5,348,713	5,292,459	56,254	5,637,400
Other Operating Income								
Luxury Box Agreements	942	1,333	(391)	1,879	10,752	11,997	(1,245)	12,072
Advertising	0	5,000	(5,000)	1,000	0	45,000	(45,000)	24,000
Other Income	2,319	1,333	986	1,993	20,909	11,997	8,912	13,876
Total Other Operating Income	3,261	7,666	(4,405)	4,872	31,661	68,994	(37,333)	49,948
Adjusted Gross Income	971,652	978,476	(6,824)	979,410	5,380,374	5,361,453	18,921	5,687,348
Operating Expenses								
Salaries and Wages	630,243	336,991	293,252	563,325	3,723,667	3,032,919	690,748	3,538,254
Payroll Taxes and Benefits	127,998	100,348	27,650	105,704	799,035	903,132	(104,097)	816,630
Labor Allocations to Events	(422,782)	(213,073)	(209,709)	(371,562)	(2,507,598)	(1,917,657)	(589,941)	(2,446,433)
Net Salaries and Benefits	335,459	224,266	111,193	297,467	2,015,104	2,018,394	(3,290)	1,908,451
Contracted Services	39,039	23,692	15,347	36,273	358,252	213,228	145,024	294,515
General and Administrative	75,883	31,944	43,939	28,392	376,617	287,496	89,121	315,207
Operations	6,429	12,196	(5,767)	1,672	81,244	109,764	(28,520)	99,963
Repair and Maintenance	57,533	47,100	10,433	81,254	433,838	423,900	9,938	516,326
Operational Supplies	35,459	23,342	12,117	16,710	285,649	210,078	75,571	217,463
Insurance	34,743	21,054	13,689	34,218	202,009	189,486	12,523	211,673
Utilities	168,608	146,483	22,125	159,059	1,344,013	1,318,347	25,666	1,361,185
SMG Management Fees	14,703	14,703	-	14,703	132,330	132,327	3	132,330
Total Operating Expenses	767,856	544,780	223,076	669,748	5,229,056	4,903,020	326,036	5,057,113
Net Income(Loss) From Operations	203,796	433,696	(229,900)	309,662	151,318	458,433	(307,115)	630,236
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	203,796	433,696	(229,900)	309,662	151,318	458,433	(307,115)	630,236

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Nine Months Ended March 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	123	128	98,134	115,610	1,705,964	1,664,611
Consumer/Gated Shows	46	43	179,043	149,800	1,294,633	1,203,392
DeVos Performance Hall	139	113	192,986	174,280	1,341,594	1,407,919
Banquets	28	31	21,150	24,055	266,995	362,161
Meetings	59	63	20,360	24,120	584,125	555,588
Other	18	5	14,091	2,300	155,401	98,790
GRAND TOTALS	413	383	525,764	490,165	5,348,713	5,292,459

As Percentage of Overall

Convention/Trade Shows	29.78%	33.42%	18.67%	23.59%	31.89%	31.45%
Consumer/Gated Shows	11.14%	11.23%	34.05%	30.56%	24.20%	22.74%
DeVos Performance Hall	33.66%	29.50%	36.71%	35.56%	25.08%	26.60%
Ballroom Exclusive	6.78%	8.09%	4.02%	4.91%	4.99%	6.84%
Meetings	14.29%	16.45%	3.87%	4.92%	10.92%	10.50%
Other	4.36%	1.31%	2.68%	0.47%	2.91%	1.87%

DEVOS FUND
Balance Sheet
As of March 31, 2019

ASSETS

Current Assets

Cash	3,016,874
Account Receivable	1,118,693
Prepaid Expenses	154,085

Total Current Assets		\$4,289,651
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Total Assets

\$4,289,651

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	805,454
Accrued Expenses	229,326
Deferred Income	198,951
Advanced Ticket Sales & Deposits	2,302,429

Total Current Liabilities		\$3,536,160
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Other Liabilities

Equity

Funds Remitted to CAA	(550,961)
Expenses Paid Direct by CAA	1,203,410
Beginning Balance Equity	(50,275)
Current Year Equity	151,316

Total Equity		\$753,490
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Total Liabilities and Equity

\$4,289,651

5

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of March 31, 2019

Current - Under 30 Days	
Food & Beverage	138,422
Ticketing	6,663
Merchandise	1,302
Decorating	48,454
Audio/Visual	51,958
Van Andel Arena	384,722
Operating	341,576
 Over 30 Days	 132,298
 Over 60 Days	 13,298
 Over 90 Days	
 Total Accounts Receivable	 1,118,693

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2019**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2018 Audited
Net Revenue above Expenses	3,732,428	267,166	3,999,594	2,267,359
Benchmark++			1,050,000	750,000
Excess	3,732,428	267,166	2,949,594	1,517,359

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Audited
Base Fee	176,440	176,440	352,880	352,880
Incentive Fee				
Revenue	8,348,738	7,053,779	15,402,517	13,960,144
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,700,000
Revenue Excess	3,198,738	2,503,779	5,702,517	4,260,144
Incentive Fee **	197,943	154,937	352,880	352,880
Total SMG Management Fee	374,383	331,377	705,760	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 PERIOD ENDED MARCH 31, 2019

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, 2019**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	84	31	115	94	21
ATTENDANCE	617,398	203,100	820,498	605,600	214,898
DIRECT EVENT INCOME	1,303,519	427,325	1,730,844	1,092,450	638,394
ANCILLARY INCOME	1,961,894	500,224	2,462,118	1,488,399	973,719
OTHER EVENT INCOME	948,938	443,450	1,392,388	875,500	516,888
TOTAL EVENT INCOME	4,214,351	1,370,999	5,585,350	3,456,349	2,129,001
TOTAL OTHER INCOME	2,007,963	755,425	2,763,388	2,391,350	372,038
TOTAL INCOME	6,222,314	2,126,424	8,348,738	5,847,699	2,501,039
INDIRECT EXPENSES					
EXECUTIVE	166,123	65,473	231,596	221,147	(10,449)
FINANCE	161,850	51,320	213,170	209,015	(4,155)
MARKETING	215,829	75,641	291,470	236,778	(54,692)
OPERATIONS	1,411,354	685,850	2,097,204	2,064,969	(32,235)
BOX OFFICE	110,160	78,780	188,940	185,073	(3,867)
LUXURY SEATING	-	-	0	89,920	89,920
SKYWALK ADMIN	47,889	13,740	61,629	48,100	(13,529)
OVERHEAD	1,206,761	325,540	1,532,301	1,424,079	(108,222)
TOTAL INDIRECT EXP.	3,319,966	1,296,344	4,616,310	4,479,081	(137,229)
NET REVENUE ABOVE EXPENSES	2,902,348	830,080	3,732,428	1,368,618	2,363,810
LESS INCENTIVE FEE		197,943	197,943	92,319	(105,624)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	2,902,348	632,137	3,534,485	1,276,299	2,258,186

Comments:

The Arena had its best single financial month in venue history with sold out Metallica, Kiss, and Dierks Bentley concerts being the highlights. There was also strong selling shows for Monster Trucks, Disturbed, Toby Mac, Weezer and record sales for Disney on Ice. The Griffins continue there strong season at the box office with almost 8,000 patron average for their 5 games during the month.

Expenses are forecasted to come in higher than budget overall, however, the fiscal year is expected to shatter all venue records for fiscal performance.


General Manager


Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2019**

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

MONTH	March Actual	March Budget	March FY 2018
Number of Events	25	19	17
Attendance	188,070	110,000	129,132
Direct Event Income	\$597,125	\$255,000	\$377,559
Ancillary Income	569,303	263,276	372,515
Other Event Income	144,221	121,000	248,987
Other Operating Income	290,406	192,062	258,794
Indirect Expenses	(419,638)	(373,256)	(456,130)
Net Income	<u>\$1,181,417</u>	<u>\$458,082</u>	<u>\$801,725</u>

YTD	YTD 2019 Actual	YTD 2019 Budget	YTD 2018 Prior Year
Number of Events	84	74	95
Attendance	617,398	488,500	587,438
Direct Event Income	\$1,303,519	\$827,000	\$1,155,023
Ancillary Income	1,961,894	1,251,355	1,674,339
Other Event Income	948,938	707,500	845,683
Other Operating Income	2,007,963	1,815,158	1,808,136
Indirect Expenses	(3,319,966)	(3,359,304)	(3,390,710)
Net Income	<u>\$2,902,348</u>	<u>\$1,241,709</u>	<u>\$2,092,471</u>

EVENT INCOME

Event income came in well ahead of budget for the month as more events were hosted than budgeted with all shows hosted during the month performing at expected levels or far exceeding expectations.

ANCILLARY INCOME

Ancillary income came in higher than budget due to the number of events and the continued strong per cap spending in concessions. Merchandise sales were very strong as Kiss was near record sales and before we had time to verify if it was a record or not, Metallica came through with sales that made it unnecessary to look up.

INDIRECT EXPENSES

Indirect expenses continue to come in at budgeted levels for the year, however, it is anticipated that given the activity of the venue expenses will end the fiscal year above budget.

Van Andel Arena
Income Statement
For the Nin Months Ended March 31, 2019

	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	\$691,973	\$447,000	\$244,973	\$533,056	\$1,969,464	\$1,514,000	\$455,464	\$2,118,556
Service Revenue	716,712	224,000	492,712	392,321	2,659,936	1,751,000	908,936	2,030,753
Service Expenses	(811,560)	(416,000)	(395,560)	(547,818)	(3,325,881)	(2,438,000)	(887,881)	(2,994,286)
Total Direct Event Income	597,125	255,000	342,125	377,559	1,303,519	827,000	476,519	1,155,023
Ancillary Income								
F&B Concession	494,308	243,242	251,066	312,196	1,629,602	1,077,892	551,710	1,416,455
F&B Catering	38,033	13,794	24,239	33,898	168,088	99,093	68,995	138,672
Novelty Sales	36,962	6,240	30,722	26,036	163,930	74,370	89,560	107,705
Booth Cleaning	0	0	0	0	279	0	279	2,658
Audio Visual	0	0	0	385	495	0	495	9,199
Other Ancillary	0	0	0	0	(500)	0	(500)	(350)
Total Ancillary Income	569,303	263,276	306,027	372,515	1,961,894	1,251,355	710,539	1,674,339
Other Event Income								
Ticket Rebates(Per Event)	144,221	121,000	23,221	248,987	948,938	707,500	241,438	845,683
Total Other Event Income	144,221	121,000	23,221	248,987	948,938	707,500	241,438	845,683
Total Event Income	1,310,649	639,276	671,373	999,061	4,214,351	2,785,855	1,428,496	3,675,045
Other Operating Income								
Luxury Box Agreements	185,768	135,979	49,789	194,504	1,403,157	1,310,411	92,746	1,272,625
Advertising	56,680	52,083	4,597	56,680	492,905	468,747	24,158	488,971
Other Income	47,958	4,000	43,958	7,610	111,901	36,000	75,901	46,540
Total Other Operating Income	290,406	192,062	98,344	258,794	2,007,963	1,815,158	192,805	1,808,136
Adjusted Gross Income	1,601,055	831,338	769,717	1,257,855	6,222,314	4,601,013	1,621,301	5,483,181
Operating Expenses								
Salaries and Wages	340,597	189,190	151,407	287,342	1,863,849	1,702,710	161,139	1,744,065
Payroll Taxes and Benefits	54,220	57,863	(3,643)	66,862	330,801	520,767	(189,966)	399,250
Labor Allocations to Events	(262,287)	(90,873)	(171,414)	(164,493)	(1,000,547)	(817,857)	(182,690)	(945,584)
Net Salaries and Benefits	132,530	156,180	(23,650)	189,711	1,194,103	1,405,620	(211,517)	1,197,731
Contracted Services	23,524	21,200	2,324	18,443	226,141	190,800	35,341	208,708
General and Administrative	54,601	29,339	25,262	31,254	387,227	264,051	123,176	401,306
Operations	2,403	7,599	(5,196)	2,615	50,589	68,391	(17,802)	38,291
Repair and Maintenance	23,491	31,049	(7,558)	39,075	237,843	279,441	(41,598)	301,870
Operational Supplies	10,401	21,808	(11,407)	16,521	193,271	196,272	(3,001)	187,335
Insurance	46,863	14,161	32,702	33,971	175,371	127,449	47,922	165,457
Utilities	111,122	77,217	33,905	109,837	723,091	694,953	28,138	757,682
SMG Management Fees	14,703	14,703	0	14,703	132,330	132,327	3	132,330
Total Operating Expenses	419,638	373,256	46,382	456,130	3,319,966	3,359,304	(39,338)	3,390,710
Net Income(Loss) From Operations	1,181,417	458,082	723,335	801,725	2,902,348	1,241,709	1,660,639	2,092,471
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	1,181,417	458,082	723,335	801,725	2,902,348	1,241,709	1,660,639	2,092,471

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Nine Months Ended March 31, 2019

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	9	9	57,917	42,500	268,185	242,412
Sporting Event	7	7	44,004	40,000	552,024	347,456
Concert	28	21	255,334	175,000	2,834,104	1,677,365
Team Home Games	36	35	232,897	217,000	415,541	423,500
Other	4	2	27,246	14,000	144,496	95,130
GRAND TOTALS	84	74	617,398	488,500	4,214,351	2,785,855

As Percentage of Overall

Family Show	10.71%	12.16%	9.38%	8.70%	6.36%	8.70%
Sporting Event	8.33%	9.46%	7.13%	8.19%	13.10%	12.47%
Concert	33.33%	28.38%	41.36%	35.82%	67.25%	60.21%
Team Home Games	42.86%	47.30%	37.72%	44.42%	9.86%	15.20%
Other	4.76%	2.70%	4.41%	2.87%	3.43%	3.41%

**van Andel Arena
Balance Sheet
As of March 31, 2019**

ASSETS

Current Assets

Cash	18,526,119
Account Receivable	1,380,738
Prepaid Expenses	79,549

Total Current Assets	----- \$19,986,406
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Total Assets	----- \$19,986,406 =====
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	3,197,768
Accrued Expenses	294,866
Deferred Income	2,067,905
Advanced Ticket Sales & Deposits	14,118,101

Total Current Liabilities	----- \$19,678,640
----------------------------------	------------------------------

Other Liabilities

Equity

Funds Remitted to CAA	(2,773,708)
Expenses Paid Direct by CAA	619,260
Beginning Balance Equity	(440,135)
Current Year Equity	2,902,348

Total Equity	----- \$307,766
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Total Liabilities and Equity	----- \$19,986,406 =====
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5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of March 31, 2019

Current - Under 30 Days	
Food & Beverage	784,396
Ticketing	69,724
Merchandise	23,393
Permanent Advertising	661,315
DeVos Place	(384,722)
Operating	109,869
Over 30 Days	80,953
Over 60 Days	35,810
Over 90 Days	
Total Accounts Receivable	1,380,738

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2019**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2018 Audited
Net Revenue above Expenses	3,732,428	267,166	3,999,594	2,267,359
Benchmark++			1,050,000	750,000
Excess	3,732,428	267,166	2,949,594	1,517,359

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Audited
Base Fee	176,440	176,440	352,880	352,880
Incentive Fee				
Revenue	8,348,738	7,053,779	15,402,517	13,960,144
Benchmark Revenue	5,150,000	4,550,000	9,700,000	9,700,000
Revenue Excess	3,198,738	2,503,779	5,702,517	4,260,144
Incentive Fee **	197,943	154,937	352,880	352,880
Total SMG Management Fee	374,383	331,377	705,760	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.



Memorandum

To: CAA Finance Committee

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

From: Robert J. White

Date: May 1, 2019

Re: Convention/Arena Authority (CAA)
Fiscal Year 2020 Budget Recommendation

The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2019 (Fiscal Year 2020). The format of the report provides the Board with an overview of Fiscal Year 2018 actual, Fiscal Year 2019 estimate, and Fiscal Year 2020 preliminary recommendations. Preliminary Finance Committee review will be held on May 3rd, with final Board review scheduled for June 7th.

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 \$3,646,714. Funding, requested for FY 2020, would generate a net operating income of \$1,105,719.

The Fiscal Year 2020 consolidated income statement (Table C) forecasts a net operating income totaling \$1,616,721. This income will be applied to finance, in part, a capital outlay request totaling \$4,689,600. 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 2019 activities with a "fund balance" approximating \$22.9 million. This would include a

recommended minimum operating reserve balance of \$3.9 million and a capital repair/replacement/improvement reserve of \$19.0 million.

The current Table D has been included along with the original Fiscal Year 2020 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, 2018 - 2020

	FY 2018	FY 2019		FY 2020
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 6,767,205	\$ 5,847,699	\$ 8,348,738	\$ 6,261,150
- Expenses - Facilities	(4,536,357)	(4,302,641)	(4,439,870)	(4,467,311)
- Management Fees	(176,440)	(176,440)	(176,440)	(179,969)
- Incentive Fees	(133,957)	(92,319)	(197,943)	(116,090)
Net Operating Income	<u>1,920,451</u>	<u>1,276,299</u>	<u>3,534,485</u>	<u>1,497,780</u>
DeVos Place				
Operating - Revenues	\$ 7,192,939	\$ 6,519,176	\$ 7,053,779	\$ 6,697,333
- Expenses - Facilities	(6,803,548)	(6,360,926)	(6,610,173)	(6,672,635)
- Management Fees	(176,440)	(176,440)	(176,440)	(179,969)
- Incentive Fees	(218,923)	(260,561)	(154,937)	(236,790)
Net Operating Income/(Loss)	<u>\$ (5,972)</u>	<u>\$ (278,751)</u>	<u>\$ 112,229</u>	<u>\$ (392,061)</u>
Net Available to CAA:				
Van Andel Arena	\$ 1,920,451	\$ 1,276,299	\$ 3,534,485	\$ 1,497,780
DeVos Place	(5,972)	(278,751)	112,229	(392,061)
	<u>\$ 1,914,479</u>	<u>\$ 997,548</u>	<u>\$ 3,646,714</u>	<u>\$ 1,105,719</u>

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2018-2020

	FY2018	FY 2019		FY 2020
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:				
Facility Operations	\$ 1,914,479	\$ 997,548	\$ 3,646,714	\$ 1,105,719
Utility Reimbursement	<u>2,376,007</u>	<u>2,488,200</u>	<u>2,460,667</u>	<u>2,392,200</u>
Transfers from SMG	4,290,486	3,485,748	6,107,381	3,497,919
DeVos Place Parking ⁽¹⁾	1,521,621	1,518,000	1,565,000	1,570,000
VanAndel Parking ⁽¹⁾	366,974	454,000	383,480	391,000
Interest ⁽²⁾	282,816	392,000	489,273	564,750
Miscellaneous ⁽⁷⁾	<u>114,707</u>	<u>120,000</u>	<u>121,000</u>	<u>121,000</u>
Total Revenues	<u>6,576,604</u>	<u>5,969,748</u>	<u>8,666,134</u>	<u>6,144,669</u>
Expenditures:				
Utilities ⁽⁴⁾	2,376,007	2,488,200	2,460,667	2,392,200
Other Operating ⁽⁵⁾	400,999	504,031	489,408	498,170
Administration/Other ⁽⁶⁾	889,156	1,058,131	1,011,519	1,072,828
Facility Maintenance	2,179,361	-	-	-
Capital	<u>438,744</u>	<u>6,188,190</u>	<u>5,475,212</u>	<u>4,689,600</u> ⁽³⁾
Total Expenditures	<u>6,284,267</u>	<u>10,238,552</u>	<u>9,436,806</u>	<u>8,652,798</u>
Net Excess (Deficit)	<u>\$ 292,337</u>	<u>\$ (4,268,804)</u>	<u>\$ (770,672)</u>	<u>\$ (2,508,129)</u>

Notes: See Following Pages

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2020 Recommendation

Notes:

⁽¹⁾ DeVos Place Parking Rates:	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u> ***
30 Minutes	\$ 1.50	\$ 1.50	\$ 1.50
Daily Maximum	15.00	15.00	15.00
Event	10.00	10.00	10.00
Monthly -Public	154.00	154.00	154.00
-Reserved Premium	58.00	58.00	58.00
-County/SMG (O+M)	60.77	66.25	55.25 **
Van Andel Arena Parking Rates:			
Event	\$ 12.00	\$ 12.00	\$ 12.00
Non-Event Coin Unit	10.00	10.00	10.00
Monthly -Public	112.00	112.00	112.00

** Preliminary; calculated based on recommended budget.

*** No rate changes recommended for FY 2020.

⁽²⁾ \$25.1 million (3/31/19 pool balance) in invested funds at 2.25%.

⁽³⁾ FY 2020 Eligible Projects:

Van Andel Arena®	
Exterior corrosion control/paint	\$ 1,000,000
Suite refresher - furniture/paint/flooring (year 2 of 2)	200,000
Lockerroom upgrades (year 2 of 2)	1,000,000
Security upgrades	50,000
Skywalk HVAC	275,000
Total VAA	<u>2,525,000</u>
DeVos Place®	
Additional furniture areas, including outdoors	50,000
Keeler Lobby carpet	54,300
DeVos Performance Hall carpet	289,280
Chase Boardroom carpet	26,020
Airwall fabric replacements (year 2 of 2)	70,000
Overhead door replacement-Lyon dock 4 ramp door	50,000
Projection theater upgrades	200,000
OSHA safety changes	75,000
Fly rail system (design only)	250,000
Lyon Street landscaping (year 2 of 3)	200,000
Trash Compactor	45,000
New directional screens	75,000
Padded banquet chairs - new pads	30,000
Exhibit Hall lighting and controls	700,000
New small motor equipment	50,000
Total DVP	<u>2,164,600</u>
Total FY 2020 Capital Budget	<u>\$ 4,689,600</u>

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Detail of Expenditure Estimates
FY 2018-2020

	FY 2018	FY 2019		FY 2020
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Utilities⁽⁴⁾:				
Electricity	\$ 1,586,881	\$ 1,657,000	\$ 1,670,204	\$ 1,618,000
Steam/Gas	633,616	671,600	640,844	625,600
Water/Sewer	155,510	159,600	149,619	148,600
	<u>\$ 2,376,007</u>	<u>\$ 2,488,200</u>	<u>\$ 2,460,667</u>	<u>\$ 2,392,200</u>
Other Operating⁽⁵⁾:				
Parking Management	\$ 248,680	\$ 270,931	\$ 283,500	\$ 284,270
Pedestrian Safety	127,973	168,100	144,568	148,900
Repairs - F&B	-	40,000	40,000	40,000
Landscaping	24,346	25,000	21,340	25,000
	<u>\$ 400,999</u>	<u>\$ 504,031</u>	<u>\$ 489,408</u>	<u>\$ 498,170</u>
Administration/Other⁽⁶⁾:				
Wages	\$ 111,648	\$ 104,606	\$ 108,207	\$ 111,084
Benefits	29,364	35,712	37,093	37,731
Accounting/Audit	62,519	48,000	48,000	50,000
Legal Services	23,584	30,000	29,000	30,000
DID Assessment ^(A)	60,326	58,200	62,616	64,500
Consulting Services	73,006	189,513 *	189,513	189,513 **
Insurance	14,713	27,100	21,457	25,000
Marketing - CVB/WMSC	208,333	200,000	200,000	200,000
Diversity Initiative	60,420	75,000	75,000	275,000
Diversity - African-American Series	-	200,000	200,000	-
Procurement of Art (ArtPrize)	13,188	30,000	27,293	30,000
Other	232,055	60,000	13,340	60,000
	<u>\$ 889,156</u>	<u>\$ 1,058,131</u>	<u>\$ 1,011,519</u>	<u>\$ 1,072,828</u>

Notes:

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

*SMG-\$53,225, \$96,775 for "destination asset study follow-up work," and \$39,513 for hotel study carryover balance.

**SMG-\$54,290, \$50,000 DVP long-term capital study, and hotel project manager/other project consultants-\$85,223.

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2018-2020

		FY 2018	FY 2019		FY 2020
		<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:					
Event	- VanAndel Arena	\$ 1,352,722	\$ 1,092,450	\$ 1,730,844	\$ 1,388,670
	- DeVos Place	3,576,809	3,208,133	3,369,267	3,295,276
Ancillary	- VanAndel Arena	1,952,062	1,488,399	2,462,118	1,609,280
	- DeVos Place	2,765,584	2,631,492	2,934,102	2,598,699
Other	- VanAndel Arena	3,462,421	3,266,850	4,155,776	3,263,200
	- DeVos Place	850,546	679,551	750,410	803,358
	-Administration	114,707	120,000	121,000	121,000
Parking	- VanAndel Arena	366,974	454,000	383,480	391,000
	- DeVos Place	1,521,621	1,518,000	1,565,000	1,570,000
		<u>15,963,446</u>	<u>14,458,875</u>	<u>17,471,997</u>	<u>15,040,483</u>
Operating Expense / Appropriations:					
Facility Operations					
	- VanAndel Arena	4,536,357	4,302,641	4,439,870	4,467,311
	- DeVos Place	6,803,548	6,360,926	6,610,173	6,672,635
	- Management	352,880	352,880	352,880	359,938
	- Incentive	352,880	352,880	352,880	352,880
	- Parking/Maintenance	400,999	504,031	489,408	498,170
Other Operating		2,179,361	-	-	-
Administration/Other		889,156	1,058,131	1,011,519	1,072,828
		<u>15,515,181</u>	<u>12,931,489</u>	<u>13,256,730</u>	<u>13,423,762</u>
Operating Income		448,265	1,527,386	4,215,267	1,616,721
Non-Operating Revenue:					
Interest/Capital Contribution		282,816	392,000	489,273	564,750
Transfer (to) from Capital Acct.		(438,744)	(6,188,190)	(5,475,212)	(4,689,600)
		<u>(155,928)</u>	<u>(5,796,190)</u>	<u>(4,985,939)</u>	<u>(4,124,850)</u>
Net Income (Loss)		292,337	(4,268,804)	(770,672)	(2,508,129)
Fund Balance, beg. of yr.		23,411,454	23,703,791	23,703,791	22,933,119
Fund Balance, end of yr.		\$ 23,703,791	\$ 19,434,987	\$ 22,933,119	\$ 20,424,990

Table D
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
FY 2018-2019 Actual/Estimate
FY 2020 Recommendation

	FY 2018	FY 2019		FY 2020
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 6,767,205	\$ 5,847,699	\$ 8,348,738	\$ 6,261,150
- Expenses - Facilities	(4,536,357)	(4,302,641)	(4,439,870)	(4,467,311)
- Management Fees	(176,440)	(176,440)	(176,440)	(179,969)
- Incentive Fee	(133,957)	(92,319)	(197,943)	(116,090)
Net Operating Income (Loss)	1,920,451	1,276,299	3,534,485	1,497,780
Parking	366,974	454,000	383,480	391,000
Pedestrian Safety	(82,923)	(110,000)	(94,568)	(97,400)
Net Proceeds (Cost) of VAA	2,204,502	1,620,299	3,823,397	1,791,380
DeVos Place Convention Center				
Operating - Revenues	7,192,939	6,519,176	7,053,779	6,697,333
- Expenses - Facilities	(6,803,548)	(6,360,926)	(6,610,173)	(6,672,635)
- Management Fees	(176,440)	(176,440)	(176,440)	(179,969)
- Incentive Fee	(218,923)	(260,561)	(154,937)	(236,790)
Net Operating Loss	(5,972)	(278,751)	112,229	(392,061)
Parking	1,272,941	1,247,069	1,281,500	1,285,730
Pedestrian Safety	(45,050)	(58,100)	(50,000)	(51,500)
Net Proceeds (Cost) of DVP	1,221,919	910,218	1,343,729	842,169
Other				
Revenues				
Interest	282,816	392,000	489,270	564,750
Miscellaneous	114,707	120,000	121,000	121,000
	397,523	512,000	610,270	685,750
Expenses				
Administration	(889,156)	(1,058,131)	(1,011,519)	(1,072,828)
Other Operating	(24,346)	(65,000)	(61,340)	(65,000)
	(913,502)	(1,123,131)	(1,072,859)	(1,137,828)
Net Other	(515,979)	(611,131)	(462,589)	(452,078)
Total Net Proceeds/Operating	2,910,442	1,919,386	4,704,537	2,181,471
Capital Expenditures	(2,618,105)	(6,188,190)	(5,475,212)	(4,689,600)
Results Net of Capital Expenditures	\$ 292,337	\$ (4,268,804)	\$ (770,675)	\$ (2,508,129)

Table E
Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2011 through 2020
May 1, 2019
(In Thousands)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Est. FY 2019
VAA - Net Proceeds	\$ 925	\$ 976	\$ 1,793	\$ 532	\$ 1,610	\$ 1,980	\$ 2,865	\$ 2,338	\$ 4,021
DVP - Net Proceeds	125	280	784	445	908	1,625	1,465	1,441	1,499
SMG Incentive Fees	-	-	(331)	-	(344)	(344)	(347)	(353)	(353)
Other-Net Proceeds	<u>(276)</u>	<u>(425)</u>	<u>(313)</u> ⁽¹⁾	<u>(456)</u>	<u>(308)</u>	<u>(565)</u>	<u>(442)</u>	<u>(516)</u>	<u>(463)</u>
Total Net Operating	774	831	1,933	521	1,866	2,696	3,541	2,910	4,704
Capital	<u>(3,416)</u>	<u>(662)</u>	<u>(962)</u>	<u>(2,565)</u>	<u>(1,130)</u>	<u>(2,361)</u>	<u>(2,360)</u>	<u>(2,618)</u>	<u>(5,475)</u>
Transfer To/(From) Fund Balance	<u>(2,642)</u>	<u>169</u>	<u>971</u>	<u>(2,044)</u>	<u>736</u>	<u>335</u>	<u>1,181</u>	<u>292</u>	<u>(771)</u>
Fund Balance, End of Year	<u>\$ 22,066</u>	<u>\$ 22,234</u>	<u>\$ 23,204</u>	<u>\$ 21,160</u>	<u>\$ 21,896</u>	<u>\$ 22,230</u>	<u>\$ 23,411</u>	<u>\$ 23,703</u>	<u>\$ 22,932</u>

NOTES:

(1) Interest - \$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 1, 2019

	Beginning Fund Balance	Revenues	Expenses	Net Income/ (Loss)	Capital	Ending Fund Balance
FY 2019	23,704	17,961	(13,257)	4,704	(5,475)	22,933
FY 2020	22,933	15,605	(13,424)	2,181	(4,690)	20,424
FY 2021	20,424	15,821	(13,677)	2,144	(7,039)	15,529
FY 2022	15,529	16,036	(13,935)	2,101	(3,000)	14,630
FY 2023	14,630	16,352	(14,197)	2,155	(3,159)	13,626
FY 2024	13,626	16,671	(14,465)	2,206	(3,159)	12,673
FY 2025	12,673	16,998	(14,738)	2,260	(3,159)	11,774
FY 2026	11,774	17,336	(15,016)	2,320	(3,054)	11,040
FY 2027	11,040	17,684	(15,299)	2,385	(3,115)	10,310
FY 2028	10,310	18,040	(15,589)	2,451	(3,177)	9,584
FY 2029	9,584	18,406	(15,883)	2,523	(3,241)	8,866
FY 2030	8,866	18,777	(16,184)	2,593	(3,306)	8,153
FY 2031	8,153	19,159	(16,491)	2,668	(4,295)	6,526
FY 2032*	6,526	19,530	(16,802)	2,728	(4,381)	4,873
FY 2033	4,873	19,909	(17,121)	2,788	(4,468)	3,193

NOTES:

Revenues - Facilities increase by 2% per annum, parking facilities increase by 3% per annum and interest at 2.25% (FY19) to 3.00% (FY21) 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.

*Final bond maturity - December 1, 2031.

DEVOS PLACE



DE VOS PLACE & VAN ANDEL ARENA

OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2020

*****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, 2020
Lead Income Statement

FY 2020 Budget	Prior Year FY 2019 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
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Event Income

Direct Event Income

Rental Income	3,520,321	3,911,771	(391,450)	-10.01%
Service Income	3,153,400	3,507,298	(353,898)	-10.09%
Service Expenses	(3,378,445)	(4,049,802)	671,357	-16.58%
Total Direct Event Income	3,295,276	3,369,267	(73,991)	-2.20%

Ancillary Income

F & B Concessions	276,328	293,466	(17,138)	-5.84%
F & B Catering	864,858	1,054,787	(189,929)	-18.01%
Novelty Sales	51,600	41,596	10,004	24.05%
Booth Cleaning	304,959	338,619	(33,660)	-9.94%
Telephone/Long Distance	650	675	(25)	-3.70%
Electrical Services	413,838	432,061	(18,223)	-4.22%
Audio Visual	339,230	386,096	(46,866)	-12.14%
Internet Services	138,158	153,991	(15,833)	-10.28%
Equipment Rental	209,078	232,811	(23,733)	-10.19%
Total Ancillary Income	2,598,699	2,934,102	(335,403)	-11.43%

Other Event Income

Ticket Rebates (Per Event)	753,358	700,099	53,259	7.61%
Total Other Event Income	753,358	700,099	53,259	7.61%

Total Event Income

6,647,333	7,003,468	(356,135)	-5.09%
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Other Operating Income

50,000	50,311	(311)	-0.62%
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Adjusted Gross Income

6,697,333	7,053,779	(356,446)	-5.05%
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Operating Expenses

Employee Salaries and Wages	4,317,027	5,002,820	685,793	13.71%
Benefits	1,266,923	1,037,040	(229,883)	-22.17%
Less: Event Labor Allocations	(2,596,647)	(3,254,526)	(657,879)	20.21%
Net Employee Wages and Benefits	2,987,303	2,785,334	(201,969)	-7.25%
Contracted Services	284,300	294,963	10,663	3.62%
General and Administrative	414,028	488,798	74,770	15.30%
Operations	163,350	105,444	(57,906)	-54.92%
Repair & Maintenance	565,199	563,064	(2,135)	-0.38%
Supplies	296,100	370,734	74,634	20.13%
Insurance	245,555	262,181	16,626	6.34%
Utilities	1,716,800	1,739,655	22,855	1.31%
SMG Management Fees	179,969	176,440	(3,529)	-2.00%
Total Operating Expenses	6,852,604	6,786,613	(65,991)	-0.97%

Net Income (Loss) From Operations

(155,271)	267,166	(422,437)	-158.12%
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Other Income (Expenses)

Net Income After Other Income (Expenses)

(155,271)	267,166	(422,437)	-158.12%
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Van Andel Arena
Fiscal Year Ending June 30, 2019
Lead Income Statement

	FY 2019 Budget	Prior Year FY 2018 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
Event Income				
Direct Event Income				
Rental Income	2,290,670	2,507,789	(217,119)	-8.66%
Service Income	1,878,000	3,178,936	(1,300,936)	-40.92%
Service Expenses	(2,780,000)	(3,955,881)	1,175,881	-29.72%
Total Direct Event Income	1,388,670	1,730,844	(342,174)	-19.77%
Ancillary Income				
F & B Concessions	1,391,860	2,041,605	(649,745)	-31.83%
F & B Catering	120,478	202,294	(81,816)	-40.44%
Novelty Sales	96,942	217,945	(121,003)	-55.52%
Booth Cleaning	-	774	(774)	
Other Ancillary	-	(500)	500	-100.00%
Total Ancillary Income	1,609,280	2,462,118	(852,838)	-34.64%
Other Event Income				
Ticket Rebates (Per Event)	869,100	1,392,388	(523,288)	-37.58%
Total Other Event Income	869,100	1,392,388	(523,288)	-37.58%
Total Event Income	3,867,050	5,585,350	(1,718,300)	-30.76%
Other Operating Income	2,394,100	2,763,388	(369,288)	-13.36%
Adjusted Gross Income	6,261,150	8,348,738	(2,087,588)	-25.00%
Operating Expenses				
Employee Salaries and Wages	2,365,227	2,754,185	388,958	14.12%
Benefits	695,486	459,969	(235,517)	-51.20%
Less: Event Labor Allocations	(1,054,625)	(1,391,230)	(336,605)	24.19%
Net Employee Wages and Benefits	2,006,088	1,822,924	(183,164)	-10.05%
Contracted Services	285,600	314,442	28,842	9.17%
General and Administrative	403,170	443,427	40,257	9.08%
Operations	94,784	70,342	(24,442)	-34.75%
Repair & Maintenance	370,500	330,713	(39,787)	-12.03%
Supplies	258,700	268,737	10,037	3.73%
Insurance	176,869	243,848	66,979	27.47%
Utilities	871,600	945,437	73,837	7.81%
SMG Management Fees	179,969	176,440	(3,529)	-2.00%
Total Operating Expenses	4,647,280	4,616,310	(30,970)	-0.67%
Net Income (Loss) From Operations	1,613,870	3,732,428	(2,118,558)	-56.76%
Other Income (Expenses)	-	-	-	
Net Income After Other Income (Expenses)	1,613,870	3,732,428	(2,118,558)	-56.76%

**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 2018 Forecast
Net Revenue above Expenses	1,613,870	(155,271)	1,458,599	2,733,440
Benchmark++			1,050,000	750,000
Excess	1,613,870	(155,271)	408,599	1,983,440

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	179,969	179,969	359,938	352,880
Incentive Fee				
Revenue	6,261,150	6,697,333	12,958,483	13,811,970
Benchmark Revenue	5,253,000	4,641,000	9,894,000	9,700,000
Revenue Excess	1,008,150	2,056,333	3,064,483	4,111,970
Incentive Fee **	118,412	241,526	359,938	347,322
Total SMG Management Fee	298,381	421,495	719,876	700,202

** 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.

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2020

Position	F/Y 2019			F/Y 2020			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 (current AGM)	-	-	-	-	-	-	-
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 Manager	0.50	0.50	1.00	0.50	0.50	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	0.50	0.50	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	9.00	18.00	1.00
MIS/IT	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager	-	2.00	2.00	-	2.00	2.00	-
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	1.50	4.50	6.00	1.00
House Manager	-	1.00	1.00	1.00	1.00	2.00	1.00
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	28.96	36.04	65.00	30.46	37.54	68.00	3.00

FY2020 Capital Request

DeVos Place

Furniture Areas: \$50,000

This will be to invest into some additional furniture in some of the lobby areas of the facility. Also looking at the potential of adding some furniture on the outside on the river side of the venue as more summer shows are looking to use these areas for receptions.

Carpet (Keeler Lobby, DVPH, and Chase Boardroom): \$369,600

Phase one of two for new carpeting in the facility with the ballroom scheduled for next fiscal year and the skywalk areas to be looked at after decision has been made on the potential hotel project for the Monroe Meeting room area of the facility.

Airwall Fabric Replacement: \$70,000

Second year of a two-year project with phase one being completed now.

Lyon Dock #4 Rollup Door Replacement: \$50,000

Original door that has been showing signs of wear and recently have been having to spend money on repairs to keep the door operational.

Projection Theater Upgrades: \$200,000

Project would modernize the projection system in the theater house. In addition, would add screens to the outside lobby areas that can be used for direction, advertising, and patron viewing for late arriving patrons who have been locked out for a period at the beginning of a show.

OSHA Updates: \$75,000

Second year of a 2-year project to make updates to areas to meet OSHA standards.

Theater Fly Rail System: \$250,000 (of an estimated \$1,700,000 3-year project)

The fly rail system in the theater stage house is from original construction. While the system has been properly maintained over the years, we are past the expected useful life of the system. Project amount for first year is the engineering and design of the project with installation over the next fiscal year or two.

Lyon Street Landscaping: \$200,000

Continuation of the Lyon Street beautification project that was approved at the same amount for the current fiscal year.

New Directional Signage: \$75,000

Looking to add more digital directional signage to the facility for easier patron traffic flow.

Exhibit Hall Lighting & Controls to LED: \$700,000

This will change all exhibit hall lights to LED. This is both a benefit from a “greening” of the facility as well as give us better operational control over the lighting. Likely payback on the project is 10 years based on current usage.

New Small Motor Equipment: \$50,000

Have riding scrubbers and other equipment that is reaching its useful life. This will be phase one of an anticipated 3-year project to update/replace much of the equipment.

Van Andel Arena**Exterior Corrosion Control/Paint: \$1,000,000**

Overhangs on the East and West side of the venue need to be repainted. Due to the nature of material and location, they need to be removed, repainted, and reinstalled. Other options are being looked at to try and lower the cost on this project.

Suite Refresher: \$200,000

Multiple year project as suites reach their contract end to do cosmetic upgrades to the suites with the start of new contracts. Started in FY19 and anticipate this being 2-year project.

Locker-room Upgrades: \$1,000,000

Second year of a 2-year project. Contract has been signed to start the project in FY19 and this will complete the project (with likely additional money coming over as part of carryover as phase one is likely to not be completed by FYE).

Skywalk HVAC: \$250,000

The HVAC system in the skywalk needs to be modernized/upgraded as there is increased operation expenses to keep the current system running.



April 30, 2019

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 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.

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

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

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

*We will seek approval at the June 7, 2019, meeting

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

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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%	\$3,900/1 st Performance \$1,950/2 nd Performance	N/A	N/A	\$4,500	N/A
DeVos Hall (Fri-Sat)	\$4,500 vs 12%	\$4,400/1 st Performance \$2,200/2 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%	\$4,000/1 st Performance \$2,000/2 nd Performance	N/A	N/A	\$4,600	N/A
DeVos Hall (Fri-Sat)	\$4,600 vs 12%	\$4,500/1 st Performance \$2,250/2 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.



MEMORANDUM

To: CAA Board

From: Richard MacKeigan, Executive Director

Date: April 10, 2019

Re: Extension of Financial Services Employment Agreement with Robert J. White

On July 1, 2018, the CAA Board entered into an extension of the Second Amendment to Financial Services Employment Agreement with Robert J. White (“Bob”) to provide for certain enhanced financing, contract monitoring, budgeting, and related services for and on behalf of the CAA. The extension will terminate on June 30, 2019.

The Second Amendment sets compensation at the rate of \$130 per hour, for services not to exceed 200 hours per year, at a total compensation of \$26,000 per year. Bob’s salary for 2017 was \$23,000 and his salary for 2018 was \$23,855. I am recommending that the CAA again extend the Second Amendment to Financial Services Employment Agreement, upon the same terms and conditions contained therein, for one (1) additional year. I have discussed this with Bob and he is happy to continue the relationship for another year.

Over the past nine years, Bob has proven to be a valuable employee and has performed the contractual services with the highest degree of professionalism. The CAA and Bob have enjoyed an excellent working relationship and the CAA wishes to continue its affiliation with Bob.

Based on the above, I am requesting the CAA Board approve a one-year extension of the Second Amendment to Financial Services Employment Agreement with Robert J. White.

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION
OF A PARKING OPERATION AND MAINTENANCE AGREEMENT
WITH THE CITY OF GRAND RAPIDS RELATED TO THE ARENA
PARKING LOT**

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA")
controls a 149-space surface parking lot to the south and adjacent to the Van Andel Arena (the
"Arena Parking Lot"); and

WHEREAS, the City of Grand Rapids' Parking Services Department operates and
manages a public parking system within the City; and

WHEREAS, the CAA desires to have City's Mobile GR and Parking Services
Department operate and manage the Arena Parking Lot and the City has indicated a willingness
through its Mobile GR and Parking Services Department to provide such services; and

WHEREAS, the CAA and the City have agreed to enter into an agreement setting forth
the terms and conditions for operating and maintaining the Arena Parking Lot.

RESOLVED:

1. That the Parking Operation and Maintenance Agreement in the form presented is
hereby approved and the Chairperson is authorized and directed to execute the Agreement for
and on behalf of the CAA.

2. That all resolutions or parts of resolutions in conflict herewith shall be, and the
same are, rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

Dated: May 3, 2019

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 May 3, 2019, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: May 3, 2019

Susan M. Waddell
Administrative Manager/Recording Secretary

PARKING OPERATION AND MAINTENANCE AGREEMENT – VAN ANDEL ARENA

THIS PARKING OPERATION AND MAINTENANCE AGREEMENT – VAN ANDEL ARENA (the "Agreement") is made this ~~April 12~~, May 3, 2019, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority (the "CAA"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City").

PREMISES

The CAA entered into a long-term Lease Agreement (the "Lease") dated as of July 1, 2000, with the City of Grand Rapids Downtown Development Authority (the "DDA") for the purpose of transferring ownership and operation of the Van Andel Arena (the "Arena") to the CAA. The Lease provides that upon the payment of certain debt obligations the DDA shall convey the Arena to the CAA. Included in the Lease as a part of the Arena properties leased and to ultimately be conveyed to the CAA is a 149-space surface parking lot to the south and adjacent to the Arena facility as identified on the attached Exhibit A (the "Arena Parking Lot"). Prior to entering into the Lease, the DDA had an agreement with the City for the City's Parking Services Department to operate and maintain the Arena Parking Lot. Also, after entering into the Lease, the CAA and the City have continued to have an agreement for the City's Parking Services Department, now known as the Mobile GR and Parking Services Department, to operate and maintain the Arena Parking Lot. The CAA and the City desire to continue such relationship and have agreed to enter into this Agreement setting forth the terms and conditions for the operation and maintenance of the Arena Parking Lot.

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

Section 1. Operation and Maintenance of Arena Parking Lot. Subject to the terms and conditions of this Agreement the City, through its Mobile GR and Parking Services Department, shall be responsible for the operation and maintenance of the Arena Parking Lot.

Section 2. Parking Control Equipment. The CAA shall, at its cost, be responsible for providing, replacing and upgrading at the entry/exit to the Arena Parking Lot parking control equipment compatible with the City's Automobile Parking System (the "System") and, if required, an attendant booth of the same or similar quality as booths located in City-owned surface parking lots within the System. The City shall be responsible for the maintenance of such parking control equipment and attendant booth. 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 Arena Parking Lot parking control equipment in such maintenance agreement and will include the Arena Parking Lot 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 and Maintenance. The operation and maintenance by the City's Mobile GR and Parking Services Department of the Arena Parking Lot shall be subject to the following conditions:

- A. The City's Mobile GR and Parking Services Department shall be responsible at its cost for providing necessary staffing, security, supervision/administration and routine maintenance (including snowplowing).
- B. The level of operation and routine maintenance provided shall be equal to that provided by the Mobile GR and Parking Services Department at other surface parking lots operated and maintained by the Department. Maintenance responsibilities include striping and filling in "holes" or "cracks" in the surface but does not include resurfacing or replacement of parking control equipment.
- C. Except as provided in Section ~~34~~ hereof, the Arena Parking Lot shall be open for public use twenty-four hours a day and seven days a week.
- D. When the Arena Parking Lot is being utilized in connection with an Arena event, it shall be staffed with a parking attendant who shall provide customer service beginning at least one hour before the beginning of the event to at least one-half hour after the event. At the request of the Arena General Manager, the City's Mobile GR and Parking Services Department agrees to alter such schedule to better serve patrons of the Arena.

Section ~~3.4~~ Special Use of Arena Parking Lot. The parties recognize that certain events at the Arena will require the utilization of the Arena Parking Lot in connection with such events, i.e., rodeo, motor cross, ~~circus staging~~, etc. Upon at least fourteen days' advance notice by the Arena General Manager to the Parking Services Department, the Arena Parking Lot shall be turned over to Arena at no cost to the CAA for use in connection with such event during such event and such time as is reasonably necessary prior to and after such event.

The parties also recognize that the CAA has a certain lease agreement related to the Arena with the owners of the Grand Rapids Griffins, a professional hockey team, which requires certain parking spaces be provided at the Arena Parking Lot at certain times at no cost. The City agrees to make such spaces available to the CAA at no cost at such times as are required in such lease agreement.

Section ~~4.5~~ Preparation and approval of Annual Budget. The City's Mobile GR and Parking Services Department shall prepare and submit to the CAA for approval an annual operating cost budget for the services it is required to perform pursuant to this Agreement for the Arena Parking Lot 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 6. Establishment of Parking Rates. Rates charged for the use of the Arena Parking Lot shall be as determined from time to time by the CAA after receiving input from the Mobile GR and Parking Services Department. In order to accommodate the Department's

parking control equipment, the CAA agrees to provide at least sixty days notice of rate changes and, whenever possible, to coordinate any changes in rates so that the effective date of such change takes place at the same time as the effective date of change in rates by the City for public parking facilities owned by the City and operated by the Department.

Section 5.7. Monthly Parking Passes. As monthly parking passes at the Arena Parking Lot from time to time become available, the Mobile GR and Parking Services Department agrees to notify the Arena General Manager and the Arena shall have fourteen days to identify persons associated with the Arena to be issued such passes. If at the end of such fourteen-day period, monthly passes still remain available, the Mobile GR and Parking Services Department is free to issue such monthly passes to such persons as it shall determine.

~~**Section 6. Collection and Deposit of Receipts and Payment of Operating Expenses.** The Mobile GR and Parking Services Department shall bill and collect all revenues for the Arena Parking Lot based on rates established pursuant to Section 4 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 one twelfth of the agreed to annual budgeted operating revenues less one twelfth of budgeted operating expenses. Within ten days after September 1 each year and continuing within ten days after each calendar month thereafter until within ten days after the subsequent August 1, the Department will complete a reconciliation of the second preceding calendar month's actual operating revenues less operating expenses. Any overage or shortfall of the prior budgeted payment determined by this calculation, will promptly thereafter be paid over or billed to the CAA, as applicable. Appropriate documentation, detailing the calculation, will accompany the payment or invoice. A final monthly reconciliation will be provided not later than ten days after August 1 each year during the term of this Agreement. If the CAA has questions regarding an invoice, it shall promptly notify the Department and the representatives of the CAA and the Department shall promptly meet to resolve such questions and make and required adjustments.~~

8. Usage Fees. In return for the City's retention of all revenues realized from operation of the Arena Parking Lot, the Mobile GR and Parking Services Department shall pay the CAA usage fees for each fiscal year during the term of this Agreement and any extension thereof, the total annual budgeted revenue for the Arena Parking Lot less annual budgeted operating expenses. Such amount shall be paid in monthly installments to the CAA on or before the third business day of each calendar month pro rata based on estimated budgeted revenues and expenses for such fiscal year prepared by the Mobile GR and Parking Services Department. At the end of each fiscal year when actual revenues and expenses are known, the amount payable to the CAA shall be adjusted upward or downward to reflect actual revenues and expenses and paid to or debited from future payments to the CAA, as the case may be.

Section 7.9. Term and Termination. This Agreement shall be for an initial term of three years effective July 1, 2019, and ending June 30, 2022. The term of this Agreement shall automatically be extended for two additional consecutive three-year terms unless either party gives the other party notice pursuant to Section ~~10~~12 of this Agreement of its intent not to extend the term of this Agreement at least one year prior to the expiration of the then current term of this Agreement. Either party may terminate this Agreement for any reason upon one year's advanced written notice to the other party.

Section ~~8~~10. Insurance. The City shall (a) provide or cause to be provided and keep or cause to be kept in force comprehensive general public liability insurance naming the CAA as an additional insured against claims for casualty, personal injury, death or property damage occurring on or about the Arena Parking Lot, in amounts determined by the City with the approval of the CAA or (b) a program of self insurance acceptable to the CAA. Any policy of insurance shall provide that the CAA shall receive 30 days' prior notice from the insurer of cancellation, termination or modification of the policy. The City shall deliver evidence of insurance or evidence of a program of self insurance to the CAA upon request.

Section ~~9~~11. Indemnification. To the extent permitted by law, 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 DDA 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 Arena Parking Lot 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.

To the extent permitted 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 Arena Parking Lot 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 ~~10~~12. Notices. All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by certified mail (return receipt requested, postage prepaid) or by facsimile to the appropriate party at its address or facsimile set forth below:

If to the CAA:

Grand Rapids-Kent County Convention/Arena
Authority
130 W. Fulton Street
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

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 ~~11~~13. 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 and maintenance of the Arena Parking Lot, 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) This Agreement shall be interpreted in accordance with the laws of the State of Michigan.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.

(h) The City shall act solely as an independent contractor with respect to the operation and maintenance of the Arena Parking Lot. 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 R. Heacock, Chairperson

CITY OF GRAND RAPIDS

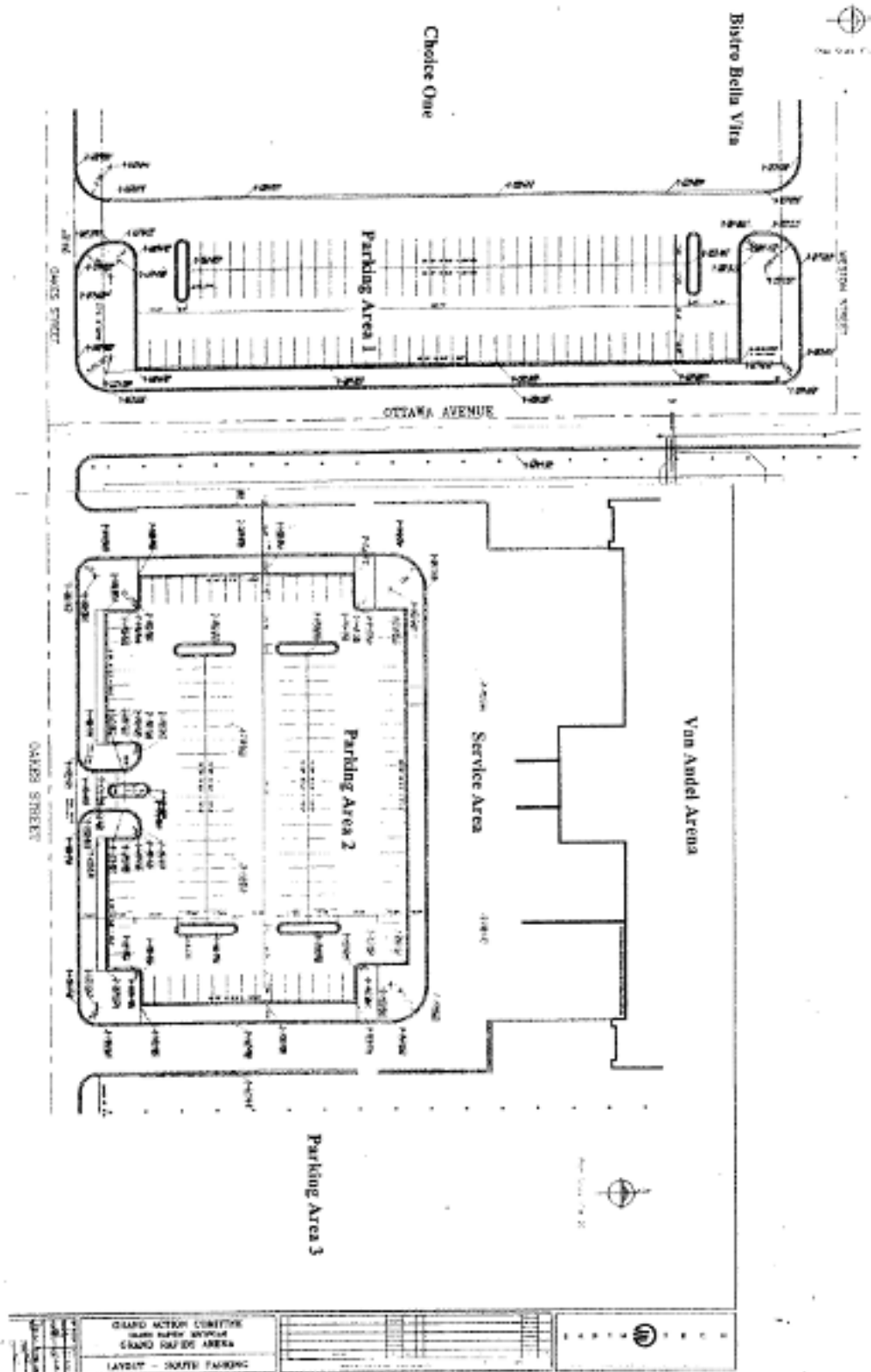
Rosalynn Bliss, Mayor

Attest:

Joel H. Hondorp, City Clerk

EXHIBIT A

ARENA PARKING LOT



Document comparison by Workshare Compare on Thursday, April 11, 2019
11:52:58 AM

Input:	
Document 1 ID	PowerDocs://GRAPIDS/545900/4
Description	GRAPIDS-#545900-v4-CAA_- _Parking_Operation_and_Maintenance_Agreement
Document 2 ID	PowerDocs://GRAPIDS/545900/5
Description	GRAPIDS-#545900-v5-CAA_- _Parking_Operation_and_Maintenance_Agreement
Rendering set	DW Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	16
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	37

PARKING OPERATION AND MAINTENANCE AGREEMENT – VAN ANDEL ARENA

THIS PARKING OPERATION AND MAINTENANCE AGREEMENT – VAN ANDEL ARENA (the "Agreement") is made this May 3, 2019, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority (the "CAA"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City").

PREMISES

The CAA entered into a long-term Lease Agreement (the "Lease") dated as of July 1, 2000, with the City of Grand Rapids Downtown Development Authority (the "DDA") for the purpose of transferring ownership and operation of the Van Andel Arena (the "Arena") to the CAA. The Lease provides that upon the payment of certain debt obligations the DDA shall convey the Arena to the CAA. Included in the Lease as a part of the Arena properties leased and to ultimately be conveyed to the CAA is a 149-space surface parking lot to the south and adjacent to the Arena facility as identified on the attached Exhibit A (the "Arena Parking Lot"). Prior to entering into the Lease, the DDA had an agreement with the City for the City's Parking Services Department to operate and maintain the Arena Parking Lot. Also, after entering into the Lease, the CAA and the City have continued to have an agreement for the City's Parking Services Department, now known as the Mobile GR and Parking Services Department, to operate and maintain the Arena Parking Lot. The CAA and the City desire to continue such relationship and have agreed to enter into this Agreement setting forth the terms and conditions for the operation and maintenance of the Arena Parking Lot.

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

Section 1. Operation and Maintenance of Arena Parking Lot. Subject to the terms and conditions of this Agreement the City, through its Mobile GR and Parking Services Department, shall be responsible for the operation and maintenance of the Arena Parking Lot.

Section 2. Parking Control Equipment. The CAA shall, at its cost, be responsible for providing, replacing and upgrading at the entry/exit to the Arena Parking Lot parking control equipment compatible with the City's Automobile Parking System (the "System") and, if required, an attendant booth of the same or similar quality as booths located in City-owned surface parking lots within the System. The City shall be responsible for the maintenance of such parking control equipment and attendant booth. 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 Arena Parking Lot parking control equipment in such maintenance agreement and will include the Arena Parking Lot 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 and Maintenance. The operation and maintenance by the City's Mobile GR and Parking Services Department of the Arena Parking Lot shall be subject to the following conditions:

- A. The City's Mobile GR and Parking Services Department shall be responsible at its cost for providing necessary staffing, security, supervision/administration and routine maintenance (including snowplowing).
- B. The level of operation and routine maintenance provided shall be equal to that provided by the Mobile GR and Parking Services Department at other surface parking lots operated and maintained by the Department. Maintenance responsibilities include striping and filling in "holes" or "cracks" in the surface but does not include resurfacing or replacement of parking control equipment.
- C. Except as provided in Section 4 hereof, the Arena Parking Lot shall be open for public use twenty-four hours a day and seven days a week.
- D. When the Arena Parking Lot is being utilized in connection with an Arena event, it shall be staffed with a parking attendant who shall provide customer service beginning at least one hour before the beginning of the event to at least one-half hour after the event. At the request of the Arena General Manager, the City's Mobile GR and Parking Services Department agrees to alter such schedule to better serve patrons of the Arena.

Section 4. Special Use of Arena Parking Lot. The parties recognize that certain events at the Arena will require the utilization of the Arena Parking Lot in connection with such events, i.e., rodeo, motor cross, etc. Upon at least fourteen days' advance notice by the Arena General Manager to the Parking Services Department, the Arena Parking Lot shall be turned over to Arena at no cost to the CAA for use in connection with such event during such event and such time as is reasonably necessary prior to and after such event.

The parties also recognize that the CAA has a certain lease agreement related to the Arena with the owners of the Grand Rapids Griffins, a professional hockey team, which requires certain parking spaces be provided at the Arena Parking Lot at certain times at no cost. The City agrees to make such spaces available to the CAA at no cost at such times as are required in such lease agreement.

Section 5. Preparation and approval of Annual Budget. The City's Mobile GR and Parking Services Department shall prepare and submit to the CAA for approval an annual operating cost budget for the services it is required to perform pursuant to this Agreement for the Arena Parking Lot 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 6. Establishment of Parking Rates. Rates charged for the use of the Arena Parking Lot shall be as determined from time to time by the CAA after receiving input from the Mobile GR and Parking Services Department. In order to accommodate the Department's

parking control equipment, the CAA agrees to provide at least sixty days notice of rate changes and, whenever possible, to coordinate any changes in rates so that the effective date of such change takes place at the same time as the effective date of change in rates by the City for public parking facilities owned by the City and operated by the Department.

Section 7. Monthly Parking Passes. As monthly parking passes at the Arena Parking Lot from time to time become available, the Mobile GR and Parking Services Department agrees to notify the Arena General Manager and the Arena shall have fourteen days to identify persons associated with the Arena to be issued such passes. If at the end of such fourteen-day period, monthly passes still remain available, the Mobile GR and Parking Services Department is free to issue such monthly passes to such persons as it shall determine.

Section 8. Usage Fees. In return for the City's retention of all revenues realized from operation of the Arena Parking Lot, the Mobile GR and Parking Services Department shall pay the CAA usage fees for each fiscal year during the term of this Agreement and any extension thereof, the total annual budgeted revenue for the Arena Parking Lot less annual budgeted operating expenses. Such amount shall be paid in monthly installments to the CAA on or before the third business day of each calendar month pro rata based on estimated budgeted revenues and expenses for such fiscal year prepared by the Mobile GR and Parking Services Department. At the end of each fiscal year when actual revenues and expenses are known, the amount payable to the CAA shall be adjusted upward or downward to reflect actual revenues and expenses and paid to or debited from future payments to the CAA, as the case may be.

Section 9. Term and Termination. This Agreement shall be for an initial term of three years effective July 1, 2019, and ending June 30, 2022. The term of this Agreement shall automatically be extended for two additional consecutive three-year terms unless either party gives the other party notice pursuant to Section 12 of this Agreement of its intent not to extend the term of this Agreement at least one year prior to the expiration of the then current term of this Agreement. Either party may terminate this Agreement for any reason upon one year's advanced written notice to the other party.

Section 10. Insurance. The City shall (a) provide or cause to be provided and keep or cause to be kept in force comprehensive general public liability insurance naming the CAA as an additional insured against claims for casualty, personal injury, death or property damage occurring on or about the Arena Parking Lot, in amounts determined by the City with the approval of the CAA or (b) a program of self insurance acceptable to the CAA. Any policy of insurance shall provide that the CAA shall receive 30 days' prior notice from the insurer of cancellation, termination or modification of the policy. The City shall deliver evidence of insurance or evidence of a program of self insurance to the CAA upon request.

Section 11. Indemnification. To the extent permitted by law, 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 DDA 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 Arena Parking Lot 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.

To the extent permitted 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 Arena Parking Lot 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 12. Notices. All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by certified mail (return receipt requested, postage prepaid) or by facsimile to the appropriate party at its address or facsimile set forth below:

If to the CAA:

Grand Rapids-Kent County Convention/Arena
Authority
130 W. Fulton Street
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

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 13. 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 and maintenance of the Arena Parking Lot, 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) This Agreement shall be interpreted in accordance with the laws of the State of Michigan.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.

(h) The City shall act solely as an independent contractor with respect to the operation and maintenance of the Arena Parking Lot. 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 R. Heacock, Chairperson

CITY OF GRAND RAPIDS

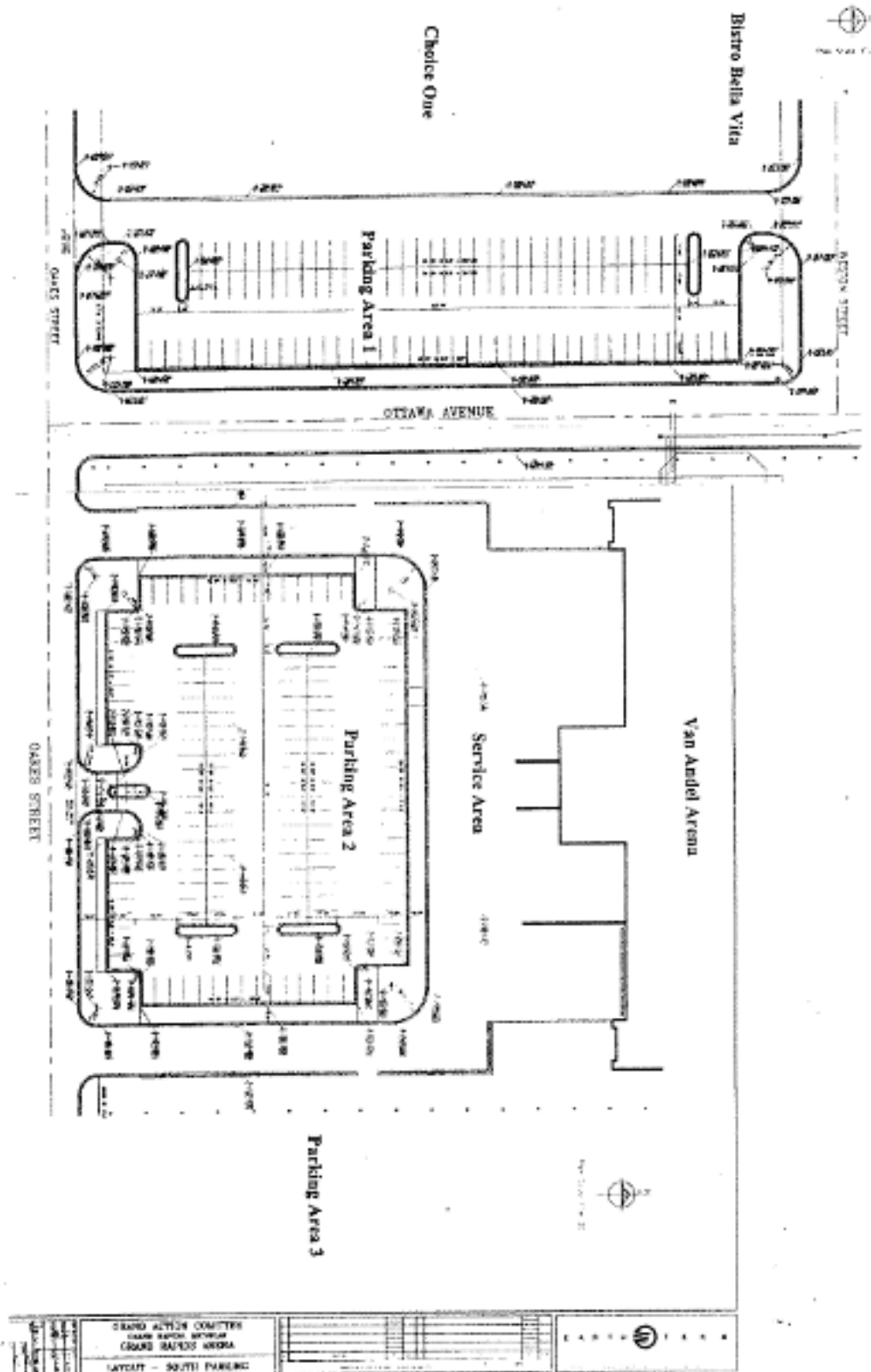
Rosalynn Bliss, Mayor

Attest:

Joel H. Hondorp, City Clerk

EXHIBIT A

ARENA PARKING LOT





Memorandum

To: Richard A. Winn, Finance Committee Chairperson
CAA Board

From: Robert White

Subject: Auto Parking System Periodic Reporting

Date: April 24, 2019

The previously (6/9/17) adopted “Parking Operation Agreement” requires the City-Auto Parking System to provide a quarterly report regarding City/County utilization of discounted DeVos Place® monthly parking passes. The content of this third quarter (FY19) periodic report includes the following information:

A) “... the number of current City and County passes outstanding ...”

The City currently holds 127 monthly passes.
The County currently holds 163 monthly passes.

B) “... the increase and/or decrease in such City and County passes since the prior report ...”

The City increased the number of passes out by 1 between 1/1/19 and 3/31/19.
The County decreased the number of passes out by 1 between 1/1/19 and 3/31/19.

C) “... 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 by the City and County.”

The current (public) monthly pass rate is \$154, while the discounted City/County rate is \$66.25.
The City currently holds 127 passes with a total annualized discount of \$133,731.
The County currently holds 163 passes with a total annualized discount of \$171,639.

Attached with this correspondence is a copy of the quarterly report from City-Auto Parking System.

Cc: Richard MacKeigan

Account	Previous End of Quarter Space Count Q2 FY19	Total Spaces End of Q3 FY 19	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	25	25	0	\$2,193.75	\$0.00
KC Facilities Management	139	138	-1	\$12,197.25	(\$87.85)
City of GR	126	127	1	\$11,056.50	\$87.75
Total	290	290	0	\$25,447.50	\$0.00

*Current Market Rate is \$154 monthly, City/County Contractual Rate is \$66.25 monthly, effective 7/1/2018.