

Agenda

Board of Directors

Friday, May 6, 2022 Following CAA Finance Committee Meeting Kent County Administration Building 300 Monroe, NW • Grand Rapids, MI 49503

1.	Call to	Richard Winn				
2.	Minute	Action				
3.	Comm					
	A.	•	ons Committee Report from Experience Grand Rapids	Tim Nelson		
	В.	i. ii.	e Committee Consolidated Financial Statement for Period Ending March 31, 2022 ASM Global Financial Statements for Period Ending March 31, 2022 - DeVos Place® and Van Andel Arena®	Action Information		
4.	Prelim	inary Rev	iew of FY 2023 Budgets	Information		
	A. B.		dated CAA Budgets Place® and Van Andel Arena® Operating/Capital Budgets			
5.	Prelim	inary Rev	iew of 2023-2027 Devos Place® Rate Sheets	Information		
6.	Auto Parking System Periodic Reporting Info					
7.	Calenc	Rich MacKeigan				
8.	Public Comment					
9.	Board Member Comments					
10.	Adjournment					

Please note that the CAA Finance Committee meeting starts at 8 AM, followed by the CAA Board meeting. Timing for the CAA Board meeting varies based on how long the Committee meeting takes.

MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY BOARD OF DIRECTORS 300 MONROE AVENUE, NW | GRAND RAPIDS, MI WEDNESDAY, MARCH 30, 2022

Attendance:

Members Present: Richard Winn, Chairperson

Rosalynn Bliss Mandy Bolter M. Scott Bowen Lew Chamberlin

Members Absent: Birgit Klohs

Staff/Others: Andrea Anderson City of Grand Rapids

Kathy Bart ASM Global Hilarie Carpenter ASM Global

Eric DeLong City of Grand Rapids Meghan Distel Broadway Grand Rapids

Scott Gorsline DP Fox

Tim Gortsema Grand Rapids Griffins Jennifer Kasper City of Grand Rapids

Andy Kursch ASM Global Chris Machuta ASM Global

Mary Manier Experience Grand Rapids
Cheri McConomy McConomy Properties, LLC
Brian McVicar MLive/Grand Rapids Press

Jackie Morse ASM Global
Jon Nunn Grand Action 2.0
Dominic Salinas City of Grand Rapids

Eddie Tadlock ASM Global
Brad Thomas Progressive AE
John Van Houten Progressive AE
Al Vanderberg Kent County

Susan Waddell CAA

Mark Washington City of Grand Rapids Jessica Wood Dickinson Wright

1. Call to Order

Chairperson, Richard Winn, called the meeting to order at 9:31 a.m. Staff recorded the meeting minutes.

2. Minutes of February 4, 2022, Meeting

Motion by Mr. Chamberlin, support by Ms. Bolter, to approve the February 4, 2022, Board Minutes. Motion carried.

3. Committee Reports

A. Operations Committee

Committee Chair Lew Chamberlin stated that the Operations Committee recommended CAA Board approval of a Resolution Authorizing the Exercise of the Option to Purchase a Portion of City-Owned Property at 201 Market Avenue, SW, Pursuant to the Terms and Conditions of an Option Agreement to Purchase Real Estate with the City of Grand Rapids and a Resolution Authorizing Preliminary Discussions and Negotiations Relating to 20 Monroe Live.

B. Finance Committee

i. Consolidated Financial Statement for Period Ending February 28, 2022

Mr. Machuta reported that the Van Andel Arena® ended February as a profitable month, hosting Disney on Ice, a Ghost & Volbeat concert, and Winter Jam, as well as Griffins hockey games. DeVos Place® had its strongest month since its return to active events. ShowSpan public shows, 16 sold-out Hamilton dates, and the Ballet's Cinderella all performed ahead of budget. Next month, the FY 2023 capital request will be presented. Additionally, an updated roll will forecast that ASM has earned its incentive fee this fiscal year.

Motion by Mr. Chamberlin, support by Ms. Bolter, to accept the consolidated financial statement for the period ending February 28, 2022. Motion carried.

ii. ASM Global Financial Statements for Period Ending February 28, 2022 – DeVos Place® and Van Andel Arena®

The financial statements were included as information items.

4. Resolution Authorizing the Exercise of the Option to Purchase a Portion of City-Owned Property at 201 Market Avenue, S.W. Pursuant to the Terms and Conditions of an Option Agreement to Purchase Real Estate with the City of Grand Rapids

Boardmember Chamberlin, supported by Boardmember Bowen, moved the adoption of the following resolution:

WHEREAS, upon approval of this Board of Directors (the "Board") on February 5, 2021, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") entered into an Option Agreement to Purchase Real Estate dated February 26, 2021 with the City of Grand Rapids (the "City") which was modified by Addendum I to Option Agreement to Purchase Real Estate dated April 14, 2021, Addendum II to Option Agreement to Purchase Real Estate dated October 7, 2021, and Addendum III to Option Agreement to Purchase Real Estate dated December 15, 2021 (collectively, the "Purchase Agreement"); and

WHEREAS, subject to the terms and conditions thereof, the Purchase Agreement gives the CAA an option to purchase from the City a portion of City-Owned property at 201 Market Avenue, S.W. (the "Property") for the potential location of a public amphitheater including related parking and other uses (the "Amphitheater"); and

WHEREAS, the Purchase Agreement provides the option to purchase the Property may be exercised by the CAA by written notice to the City on or before March 31, 2022; and

WHEREAS, the CAA desires to exercise its option to purchase the Property subject to the terms and conditions of the Purchase Agreement on or before March 31, 2022, to permit due diligence to continue regarding the potential location of the Amphitheater on the Property.

RESOLVED:

- 1. That the CAA determines to exercise its option to purchase the Property subject to the terms and conditions of the Purchase Agreement and the Chairperson of the Board is authorized and directed to give written notice to the City of such exercise on or before March 31, 2022.
- 2. That the actual purchase of the Property by the CAA is subject to each of the ten conditions contained in Section 13 of the Purchase Agreement being met.
- 3. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded.

RESOLUTION DECLARED ADOPTED.

Resolution Authorizing Preliminary Discussions and Negotiations Relating to 20 Monroe Live

Boardmember Bliss, supported by Boardmember Bowen, moved the adoption of the following resolution:

- WHEREAS, Grand Rapids-Kent County Convention/Arena Authority (the "CAA") desires to enter a lease of property located at 11 Ottawa Ave. NW, Grand Rapids, Michigan 49503 (aka GLC Live at 20 Monroe)(the "Property") with GLC GR Live, LLC, and to enter an operating agreement for management of the Property; and
- WHEREAS, Article X of the CAA Articles of Organization dated March 29, 2000, entitled "Reserve Powers", provides that certain reserve powers of the CAA require the prior approval of the Kent County (the "County") Board of Commissioners (the "County Commission") as well as the City of Grand Rapids (the "City") Commission (the 'City Commission"); and
- WHEREAS, among those Reserve Powers are (1) entering into a lease of real property, (2) entering an agreement for longer than five years; and
- WHEREAS, both the City Commission and the County Board of Commissioners passed resolutions authorizing the CAA to enter a lease of the Property and to take all steps necessary to effectuate the lease of the Property in a final form to be approved by the CAA Board, the County Administrator/Controller, the City Manager, and their respective counsel; and
- WHEREAS, both the City Commission and the County Board of Commissioners passed resolutions authorizing the CAA to enter an operating agreement for management of the Property and to take all steps necessary to effectuate the operating agreement, which may be for a period of more than five years, entered by the CAA in a final form to be approved by the CAA Board, the County Administrator/Controller, the City Manager, and their respective counsel; and
- WHEREAS, both the City Commission and the County Board of Commissioners passed resolutions authorizing the CAA to develop a facility specific Mission Statement consistent with the overall CAA Mission Statement, subject to final approval by the CAA Board, the County Administrator/Controller, and the City Manager; and

WHEREAS, the CAA now wishes to begin preliminary discussions and negotiations with the owner of the Property relating to a potential lease and operating agreement.

RESOLVED:

- 1. That the CAA Board Chair is authorized create a task force and to begin preliminary discussions and negotiations with the owner of the Property relating to a potential lease and operating agreement.
- 2. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded.

RESOLUTION DECLARED ADOPTED.

5. ASM Global Report and Facilities Calendars

Mr. MacKeigan reported that the venues are active and busy with on-sales.

6. Public Comment

None.

7. Adjournment

The meeting adjourned a	at 9:45 a.m.
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Susan M. Waddell, Recording Secretary



Consolidated Financial Report March 31, 2022

	Page
Dashboard	1
Summary by Facility	
Rolling Forecast	2
Monthly Capital Status	3
Year-to-Date Comparable	4
Trend Analysis	
Monthly Net Operating Proceeds - FY21 & FY22	5
Lagging 12 Months Net Operating Proceeds	6
Significant Notes	7
Administrative Accounts	
Year-to-Date Comparable	8
Management Fee Summary	9

Financial Dashboard Year-To-Date (9 Months) March 31, 2022

Van Andel Arena®									
All Events							Concert		
	Prior Year	Budget	Actual	Prior Y	'ear		Budget		Actual
Events	7	65	78		-		13		19
Attendance	-	428,300	424,594		-		106,000		140,095
Event Income	\$ 576,387	\$ 3,479,779	\$ 4,900,522	\$	726	\$	1,077,364	\$	2,070,186

DeVos Place®									
	All Events				Convention/Tra	de			
	Prior Year	Budget	Actual	Prior Year	Budget		Actual		
Events	13	212	292	-	89		59		
Attendance	464	320,920	326,880	-	82,520		42,870		
Event Income	\$ 96,128	\$ 3,183,278	\$ 4,422,973	\$ (17,193)	\$ 1,157,763	\$	955,156		

	I	Prior Year	Budget	Actual
Operating Income (Loss)	\$	(2,779,122)	\$ (1,728,783)	\$ 11,970,075
Capital/Repair/Replacement		(3,755,567)	(1,344,432)	(99,680)
Net - To/(From) on Fund Balance	\$	(6,534,689)	\$ (3,073,215)	\$ 11,870,395

(1), (2)

*NOTES:

- (1) Unrestricted Fund Balance at 6/30/21 \$13,796,920
- (2) Excluding the \$10 million SBA grant, 3/31 year-to-date performance = \$ 1,870,395

Grand Rapids-Kent County Convention/Arena Authority Summary by Facility/Other Fiscal Year Ending June 30, 2022

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	7/1/21 - 3/31/22			
	Year-to-Date	Roll	Estimate ⁽¹⁾	Budget
Van Andel Arena				
Operating - Revenues	\$ 4,900,522	\$ 2,334,561	\$ 7,235,083	\$ 4,746,644
- Expenses - Facilities	(2,865,478)	(1,349,786)	(4,215,264)	(4,330,348)
- Base Management Fees	(135,254)	(50,495)	(185,749)	(183,945)
- Incentive Fee		(250,737)	(250,737)	
Net Operating Income (Loss)	1,899,790	683,543	2,583,333	232,351
Parking	228,735	132,966	361,701	278,989
Pedestrian Safety	(54,969)	(10,031)	(65,000)	(65,000)
Net Proceeds (Cost) of VAA	2,073,556	806,478	2,880,034	446,340
DeVos Place Convention Center				
Operating - Revenues	4,422,973	1,291,206	5,714,179	4,143,265
- Expenses - Facilities	(4,579,043)	(1,436,652)	(6,015,695)	(5,725,206)
- Base Management Fees	(135,254)	(50,495)	(185,749)	(183,945)
- Incentive Fee	-	(120,760)	(120,760)	-
Net Operating Income (Loss)	(291,324)	(316,701)	(608,025)	(1,765,886)
Parking	768,710	234,485	1,003,195	763,011
Pedestrian Safety	(18,051)	(17,949)	(36,000)	(36,000)
Net Proceeds (Cost) of DVP	459,335	(100,165)	359,170	(1,038,875)
Other				
Revenues	10,098,189	217,721	10,315,910	273,000
Expenses	(661,005)	(249,398)	(910,403)	(910,403)
Net Other	9,437,184	(31,677)	9,405,507	(637,403)
Total Net Proceeds/Operating	11,970,075	674,636	12,644,711 (3)	(1,229,938)
Capital/Repair Expenditures	(99,680)	(1,287,662)	(1,387,342)	(1,356,567)
Results Net of Capital/Repair Expenditures	\$ 11,870,395	\$ (613,026)	\$ 11,257,369 ⁽⁴⁾	\$ (2,586,505)

Notes:

- (1) Estimates compiled quarterly through third quarter (March 31) and monthly thereafter.
- (2) Includes an approved (9/9/21 agenda) budget amendment to provide for several capital project balances (\$86,455) carried over from FY21, an approved (2/4/22) agenda budget amendment to provide for needed capital repairs and replacements (\$300,000) and carryover CARES grant spending (Special Accounts)
- (3) Includes a \$10M Small Business Administration/Shuttered Venues Operator Grant. Excluding the SBA Grant, total Net Proceeds/Operating is estimated at \$2,644,711 and Results Net of Capital/Repair at \$1,257,369.
- (4) Including the \$10,000,000 SBA Grant, the Estimated Unrestricted Fund Balance will total approximately \$ 25,054,289 at fiscal year end.

Grand Rapids-Kent County Convention/Arena Authority Administrative - Operating / Capital Replacement Budget FY 2022 Budget

		Actual		Appropriation	
FY 2022 Eligible Projects:	Budget	7/1/21 - 3/31/22	Roll	Lapse	
Van Andel Arena®					
	\$ 30,000	\$ -	\$ 30,000	\$ -	
Cooling Tower/Condenser Coil		-	ŕ	Ф -	
Wireless Communication Devices	45,000		45,000		
Total VAA	75,000	-	75,000	-	
DeVos Place®					
Lyon Street Landscape	200,000	-	200,000	-	
New Sound System	225,000	-	225,000	-	
Total DVP	425,000	-	425,000	-	
Both Venues					
Carryover (FY20) Projects					
DVP Building Maintenance Software-HVAC	43,740	26,190	17,550	-	
DVP Additional Furniture	30,580	30,580	-	-	
VAA Security Upgrades	12,135	-	-	12,135	
VAA Suite Refresher	370,112	-	370,112	-	
DVP Lyon Street Landscaping	400,000		400,000	<u> </u>	
Total Carryover	856,567	56,770	787,662	12,135	
Total Unrestricted Accounts	1,356,567	56,770	1,287,662	12,135	
COVID-19 County Grant (Restricted Account)	48,620	42,910	-	5,710	
Total FY 2021 Capital Budget	\$ 1,405,187	\$ 99,680	\$ 1,287,662	\$ 17,845	

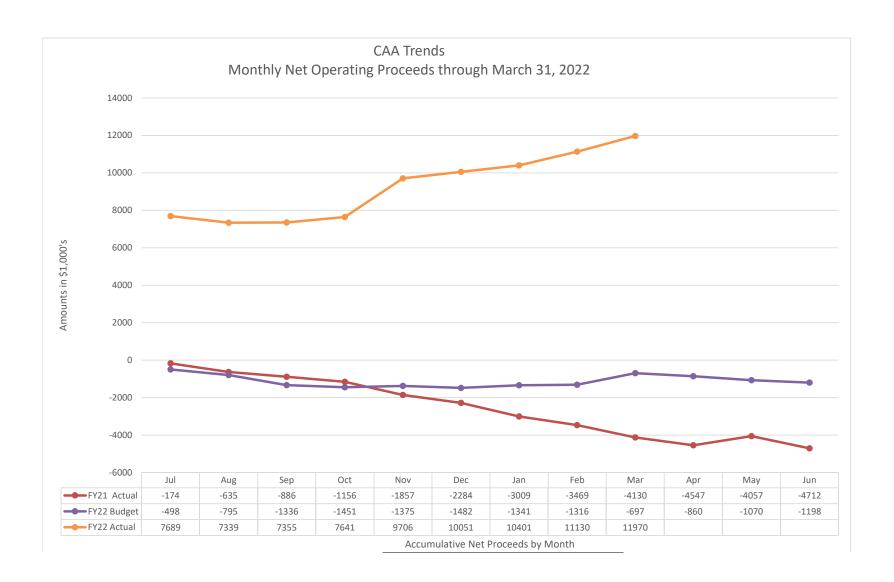
Notes: The FY2022 budget, as adopted, included \$600,000 for Lyon Street Landscape and \$370,112 for Suite Refresher.

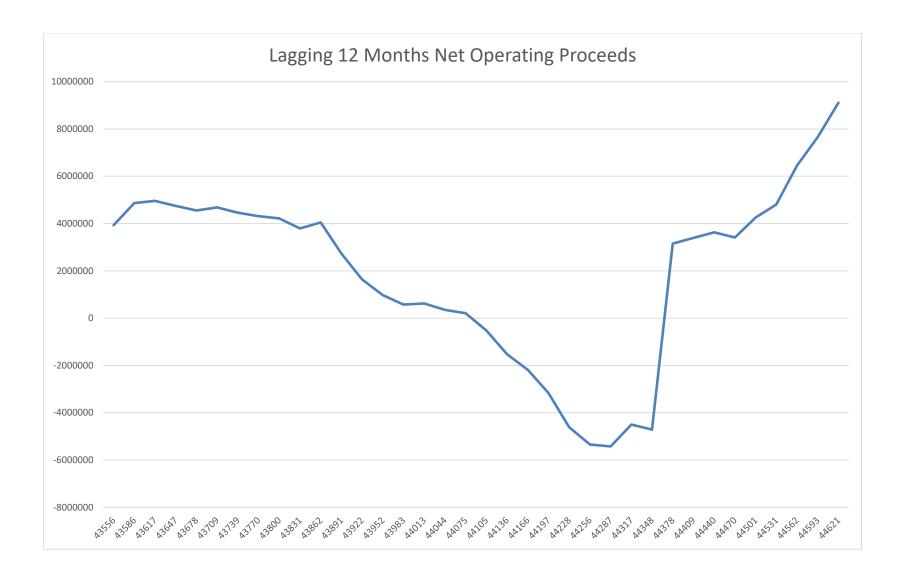
The July monthly financial report included a request to re-appropriate a total of \$86,455 for Unrestricted Projects and \$48,620 in the County Grant account (for which \$42,910 has been spent; the remaining \$5,710 will be returned to the County).

The December financial report included a request to appropriate additional capital repair/replacement funds (\$300,000) for projects detailed above

Grand Rapids-Kent County Convention/Arena Authority Budget Summary by Facility/Other Financial Trends for Year Ending June 30, 2022

	Annual			Year-To-Date			
	FY 2021 Final	FY 2022 Budget	Change Positive (Negative)	FY 2021 7/1-3/31/21	FY 2022 7/1 - 3/31/22	Change Positive (Negative)	
Van Andel Arena							
Operating - Revenues	\$ 729,644	\$ 4,746,644	550.5%	\$ 576,387	\$ 4,900,522	750.2%	
- Expenses - Facilities	(2,315,851)	(4,330,348)	-87.0%	(1,626,216)	(2,865,478)	76.2%	
Base Management FeesIncentive Fee	(180,339)	(183,945)	-2.0%	(135,254)	(135,254)	0.0%	
Net Operating Income (Loss)	(1,766,546)	232,351	113.2%	(1,185,083)	1,899,790	260.3%	
Parking	263,244	278,989	6.0%	132,584	228,735	72.5%	
Pedestrian Safety		(65,000)	-100.0%		(54,969)	-100.0%	
Net Proceeds (Cost) of VAA	(1,503,302)	446,340	436.8%	(1,052,499)	2,073,556	297.0%	
DeVos Place Convention Center							
Operating - Revenues	288,560	4,143,265	1335.8%	96,128	4,422,973	4501.1%	
- Expenses - Facilities	(4,028,560)	(5,725,206)	-42.1%	(2,871,504)	(4,579,043)	59.5%	
- Base Management Fees	(180,339)	(183,945)	-2.0%	(135,254)	(135,254)	0.0%	
- Incentive Fee						0.0%	
Net Operating Income (Loss)	(3,920,339)	(1,765,886)	55.0%	(2,910,630)	(291,324)	90.0%	
Parking	207,772	763,011	267.2%	91,283	768,710	742.1%	
Pedestrian Safety	(71,120)	(36,000)	-49.4%	(13,701)	(18,051)	-100.0%	
Net Proceeds (Cost) of DVP	(3,783,687)	(1,038,875)	-264.2%	(2,833,048)	459,335	116.2%	
Other							
Revenues	340,115	273,000	-19.7%	2,112,622	10,098,189	378.0%	
Expenses	(691,010)	(910,403)	-31.7%	(1,006,197)	(661,005)	-34.3%	
Net Other	(350,895)	(637,403)	-81.0%	1,106,425	9,437,184	752.9%	
Total Net Proceeds/Operating	(5,637,884)	(1,229,938)	78.0%	(2,779,122)	11,970,075	530.7%	
Capital/Repair Expenditures	(2,193,876)	(1,356,567)	52.0%	(3,755,567)	(99,680)	-97.3%	
Results Net of Capital Expenditures	\$ (7,831,760)	\$ (2,586,505)	71.0%	\$ (6,534,689)	\$ 11,870,395	-281.7%	





Significant Notes

Van Andel Arena®

Five Monster Jam events brought 28,927 people representing 33% of overall attendance for the month signaling a strong return of public confidence in the safety of our facilities.

Monthly Net Proceeds of \$603,847 increased from prior year of (\$196,776).

DeVos Place®

Consumer Shows brought in 42,523 patrons which represents 47% of all attendance at DeVos.

Monthly Net Proceeds of \$115,389 increased from prior year Monthly Net "Proceeds" of (\$346,935).

Grand Rapids-Kent County Convention/Arena Authority Administrative Accounts Net Other Detail March 31, 2022

	Annual			Actual			
	FY 2021 Final	FY 2022 Budget	Change Positive (Negative)	FY 2021 7/1/20 -3/31/21	FY 2022 7/1/21 - 3/31/22	Change Positive (Negative)	
Other			_				
Revenues							
Interest/Capital Contr.	\$ 210,264	\$ 215,000	2.3%	\$ 2,095,968	\$ 89,820	-95.7%	
Miscellaneous	129,851	58,000	-55.3%	16,654	10,008,369	59995.9%	
	340,115	273,000	-19.7%	2,112,622	10,098,189	378.0%	
Expenses							
Arena 25-Year Recognition	-	100,000	-100.0%	-	55,712	-100.0%	
Marketing (CVB/Sports)	200,000	200,000	0.0%	200,000	200,000	0.0%	
Diversity Initiative	3,000	100,000	-3233.3%	-	9,115	-100.0%	
Wages/Benefits	151,848	139,000	8.5%	97,597	94,240	3.4%	
Professional Services	113,906	87,000	23.6%	566,745 ⁽²	²⁾ 119,574	78.9%	
DID Assessment	32,110	64,903	-102.1%	32,110	63,806	-98.7%	
Food & Beverage Repairs	-	40,000	-100.0%	-	-	-	
Consulting Services	127,098	91,500 (1)	28.0%	55,801	33,000	40.9%	
Landscaping	25,151	27,000	-7.4%	21,043	19,057	9.4%	
Procurement of Art	-	25,000	-100.0%	-	15,875	-100.0%	
Insurance	20,610	26,000	-26.2%	24,836	25,075	-1.0%	
Supplies/Other	17,287	10,000	42.2%	8,065	25,551	-216.8%	
	691,010	910,403	-31.7%	1,006,197	661,005	34.3%	
Net Proceeds - Operating	\$ (350,895)	\$ (637,403)	-81.7%	\$ 1,106,425	\$ 9,437,184	752.9%	

Notes:

 $^{^{(1)}}$ SMG-\$55,500 and Potomac Strategic Development - \$36,000.

⁽²⁾ Includes Accounting, Legal and Progressive AE professional services

Grand Rapids-Kent County Convention/Arena Authority

Special Accounts

Federal CARES Allotment (County)

Grant Period: 10/8/20 to 12/30/20 Revenues/Expenses

March 31, 2022

	Budget	Actual	
Revenues: County Grant	\$ 48,620	\$ 42,910	
Expenses:	(48,620)	(42,910)	
Net Balance	\$ -	\$ -	

NOTES:

- County Board Approval 10/8/2020
- CAA Funds Received 10/27/2020
- ASM Purchase Orders Issued 10/28/2020
- CAA Board Grant Agreement Approved 11/13/2020
- Timing Limitation All Grant Funds Must Be Spent on or Before 12/30/2020
- -Time limit extension for "advertising" expenditures

Unexpended Balance, of \$30,172, returned to Kent County on 01/29/2021 Remaining unexpended balance of \$5,071 will be returned to the County before fiscal year end

Reserve balance, of \$48,620, held for remaining grant eligible activities

Deferred Revenue for Communication portion of CARES grant @ 6/30/21 totalec \$ 45,859.27

SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2021
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	2,824,070	(487,265)	2,336,805	(5,686,855)
Benchmark++			1,050,000	1,050,000
Excess	2,824,070	(487,265)	1,286,805	(6,736,855)

Incentive Fee Calculation (Only if above greater than zero)

	Arena	DeVos Place	Total	Total
	Estimate	Estimate	Estimate	Actual
Base Fee	185,749	185,749	371,497	360,676
Incentive Fee				
Revenue	7,235,083	5,714,179	12,949,262	1,018,204
Benchmark Revenue	5,548,039	4,901,666	10,449,705	9,914,331
Revenue Excess	1.687.044	812,513	2,499,557	(9,104,314)
Incentive Fee **	250,737	120,760	371,497	
			·	
Total SMG Management Fee	436,486	306,508	742,994	360,676

^{**} 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.

DEVUSPLACE

DE VOS PLACE

FINANCIAL STATEMENT FOR THE MONTH ENDED MARCH 31, 2022

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority Cheri McConomy Tony Cima Jeffrey Wong David Schmid Richard MacKeigan Chris Machuta



	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	292	108	400	269	131
ATTENDANCE	326,880	106,530	433,410	410,420	22,990
DIRECT EVENT INCOME	2,429,896	744,704	3,174,600	2,352,417	822,183
ANCILLARY INCOME	1,308,019	346,246	1,654,265	1,401,350	252,915
OTHER EVENT INCOME	615,462	176,000	791,462	287,498	503,964
TOTAL EVENT REVENUE	4,353,377	1,266,950	5,620,327	4,041,265	1,579,062
TOTAL OTHER REVENUE	69,596	24,256	93,852	102,000	(8,148)
TOTAL OPERATING REVENUE	4,422,973	1,291,206	5,714,179	4,143,265	1,570,914
INDIRECT EXPENSES					
EXECUTIVE	130,130	49,883	180,013	221,759	41,746
FINANCE	194,135	74,418	268,553	273,830	5,277
MARKETING	122,416	46,926	169,342	183,911	14,569
OPERATIONS	969,437	371,618	1,341,055	1,476,685	135,630
EVENT SERVICES	1,208,536	363,272	1,571,808	1,146,261	(425,547)
BOX OFFICE	174,981	47,076	222,057	168,624	(53,433)
SALES	284,885	109,206	394,091	485,960	91,869
OVERHEAD	1,629,777	424,748	2,054,525	1,952,121	(102,404)
TOTAL OPERATING EXP.	4,714,297	1,487,147	6,201,444	5,909,151	(292,293)
NET REVENUE ABOVE EXPENSES	(291,324)	(195,941)	(487,265)	(1,765,886)	1,278,621
INCENTIVE FEE		-	0	0	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(291,324)	(195,941)	(487,265)	(1,765,886)	1,278,621
OI ERATING EAFENSES)	

Comments:

DeVos Place concludes the 3rd quarter of the fiscal year with 2 consecutive profitable months which positions the facility nicely heading into the 4th quarter. Convention business continues to come background General Manager slower, however, has been offset by stronger Consumer Show business. This coupled with strong performance of the Theater for both Arts Groups and Concerts has DeVos Place forecasted to end the fiscal year just under a \$500,000 loss.

Asiothat General Manage

DE VOS PLACE FINANCIAL STATEMENT HIGHLIGHTS FISCAL YEAR ENDING JUNE 30, 2022

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

MONTH	March	March	March
	Actual	Budget	FY 2021
Number of Events	50	26	0
Attendance	90,553	44,350	0
Direct Event Income	\$439,454	\$383,868	\$9,745
Ancillary Income	241,848	201,744	1,094
Other Event Income	48,105	6,002	0
Other Operating Income	15,047	8,500	7,494
Indirect Expenses	(629,065)	(579,215)	(365,268)
Net Income	\$115,389	\$20,899	(\$346,935)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	292	212	13
Attendance	326,880	320,920	464
Direct Event Income	\$2,429,896	\$1,828,711	\$39,875
Ancillary Income	1,308,019	1,061,320	(6,437)
Other Event Income	615,462	216,747	0
Other Operating Income	69,596	76,500	62,690
Indirect Expenses	(4,714,297)	(4,576,069)	(3,006,758)
Net Income	(\$291,324)	(\$1,392,791)	(\$2,910,630)

EVENT INCOME

Event income came in ahead of budget for the month.

ANCILLARY INCOME

Ancillary income came in ahead of budget as there was strong spending in most categories.

INDIRECT EXPENSES

Indirect expenses came in above budget, however, consistent with revised forecast.

DeVos Place Income Statement For the Nine Months Ended March 31, 2022

	Current MonthC Actual	urrent 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	2511222	*****	0 445.050	#0.050	#O EE2 042	¢4 976 547	¢ 677.265	\$32,800
Rental Income	\$514,082	\$398,824	\$ 115,258 29,422	\$8,050 36,472	\$2,553,812 2,100,644	\$1,876,547 1,553,929	\$ 677,265 546,715	110,541
Service Revenue Service Expenses	218,879 (293,507)	189,457 (204,413)	(89,094)			(1,601,765)	(622,795)	(103,466)
Service Expenses	(230,001)	(204,410)						
Total Direct Event Income	439,454	383,868	55,586	9,745	2,429,896	1,828,711	601,185	39,875
Ancillary Income								
F&B Concession	40,043	28,753	11,290	0	212,806	136,060	76,746	18
F&B Catering	44,473	53,366	(8,893)	104	315,777	303,931	11,846	1,699
Novelty Sales	1,298	746	552	0	32,185	8,598	23,587	0
Booth Cleaning	42,969	36,323	6,646	0	225,552	170,848	54,704	0
Telephone/Long Distance	0	75	(75)		0	150	(150)	0
Electrical Services	53,148	42,272	10,876	0	209,095	180,998	28,097	1,360
Audio Visual	27,038	17,316	9,722	0	133,207	118,715	14,492	0
Internet Services	15,187	11,049	4,764	(2,680)	60,423		8,580	(16,518)
Equipment Rental	17,692	11,844	5,848	3,670	118,974	90,177	28,797	7,004
Total Ancillary Income	241,848	201,744	40,104	1,094	1,308,019	1,061,320	246,699	(6,437)
Other Event Income	48,105	6,002	42,103	0	615,462	216.747	398,715	_
Ticket Rebates(Per Event)								0
Total Other Event Income	48,105 	6,002	42,103	0	615,462	216,747	398,715	
Total Event Income	729,407	591,614	137,793	10,839	4,353,377	3,106,778	1,246,599	33,438
Other Operating Income	0	2,000	(2,000)	. 0	0	18,000	(18,000)	4,650
Luxury Box Agreements Advertising	0	2,000	(2,000)	0	0		(10,000)	4,000
Other Income	15,047	6,500	8,547	7,494	69,596		11,096	58,040
Total Other Operating Income	15,047	8,500	6,547	7,494	69,596	76,500	(6,904)	62,690
Adjusted Gross Income	744,454	600,114	144,340	18,333	4,422,973	3,183,278	1,239,695	96,128
Operating Expenses								
Salaries and Wages	330,555	373,845	(43,290)	153,033	2,971,864	2,896,418	75,446	1,507,333
Payroll Taxes and Benefits	137,630	108,621	29,009	78,673	994,221	841,555	152,666	642,723
Labor Allocations to Events		(232,812)	7,763		(2,071,004)		(267,261)	(822,670)
Net Salaries and Benefits	243,136	249,654	(6,518	142,454	1,895,081	1,934,230	(39,149)	1,327,386
Contrasted Cardina	52,384	28,046	24,338	1,811	338,137	252,414	85,723	24,234
Contracted Services General and Administrative	23,388	40,398	(17,010)				(50,528)	177,666
Operations	7,902	13,613	(5,711)				(26,161)	34,264
Repair and Maintenance	69,025	47,100	21,925				31,280	324,639
Operational Supplies	44,051	24,675	19,376				1,939	43,034
Insurance	40,818	28,333	12,485		258,650		41,109	181,933
Utilities	133,333	132,067	1,266	104,732	1,088,654	991,935	96,719	758,348
SMG Management Fees	15,028	15,329	(301) 15,028	135,254	137,958	(2,704)	135,254
Total Operating Expenses	629,065	579,215	49,850	365,268	4,714,297	4,576,069	138,228	3,006,758
· •		-						
Net Income(Loss) From Operat	ic 115,389	20,899 	94,490 ======		(291,324) ======		1,101,467 ======	
Other Non-Operating Expenses				_ *************************************				
							4 467 46-	
Adjusted Net Income(Loss)	115,389	20,899	94,490) (346,935) ========		(1,392,791)		

SMG DeVos Place Grand Rapids - Kent County Convention/Arena Authority Year to Date Event Summary Report For the Nine Months Ended March 31, 2022

	Events	/Days	Attendance		Total Event	
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	70	92	50,030	86,520	1,112,298	1,401,744
Consumer/Gated Shows	47	32	135,078	128,000	1,223,036	879,592
DeVos Performance Hall	103	88	115,882	106,400	1,455,798	825,444
Banquets	13	-	7,800	-	80,442	-
Meetings	42	-	9,964	-	412,845	-
Other	17	-	8,126	-	68,955	-
GRAND TOTALS	292	212	326,880	320,920	4,353,377	3,106,778
As Percentage of Overall						
Convention/Trade Shows	23.97%	43.40%	15.31%	26.96%	25.55%	45.12%
Consumer/Gated Shows	16.10%	15.09%	41.32%	39.89%	28.09%	28.31%
Devos Performance Hall	35.27%	41.51%	35.45%	33.15%	33.44%	26.57%
Ballroom Exclusive	4.45%	0.00%	2.39%	0.00%	1.85%	0.00%
Meetings	14.38%	0.00%	3.05%	0.00%	9.48%	0.00%
Other	5.82%	0.00%	2.49%	0.00%	1.58%	0.00%

DeVos Place Balance Sheet As of March 31, 2022

ASSETS

Current Assets		
Cash	2,556,271	
Account Receivable	1,442,183	
Prepaid Expenses	261,202 	
Total Current Assets		\$4,259,656
Total Assets		\$4,259,656
	=====	
LIABILI	TIES AND EQUITY	
		
Current Liabilities		
Accounts Payable	389,748	
Accrued Expenses	116,656	
Deferred Income	258,258	
Advanced Ticket Sales & Deposits	2,850,560	
Total Current Liabilities		\$3,615,222
Other Liabilities		
Equity		
Funds Remitted to CAA	(49,500)	
Funds Received by CAA		
Expenses Paid Direct by CAA	1,062,484	
Beginning Balance Equity	(77,225)	
Current Year Equity	(291,324)	
Total Equity		\$644,435
Total Liabilities and Equity		\$4,259,656

SMG - DeVos Place Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of March 31, 2022

Current - Under 30 Days	
Food & Beverage	84,825
Ticketing	64,642
Merchandise	1,297
Decorating	43,032
Audio/Visual	27,037
Van Andel Arena	914,291
Operating	203,593
Over 30 Days	103,466
Over 60 Days	-
Over 90 Days	
Total Accounts Receivable	1,442,183

SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2021
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	2,824,070	(487,265)	2,336,805	(5,686,855)
Benchmark++			1,050,000	1,050,000
Excess	2,824,070	(487,265)	1,286,805	(6,736,855)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	185,749	185,749	371,497	360,676
Incentive Fee				
Revenue	7,235,083	5,714,179	12,949,262	1,018,204
Benchmark Rev	enue 5,548,039	4,901,666	10,449,705	9,914,331
Revenue Excess	1,687,044	812,513	2,499,557	(9,104,314)
Incentive Fee **	250,737	120,760	371,497	
Total SMG Management Fee	436,486	306,508	742,994	360,676

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

⁺⁺ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts: Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee. Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee. Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE MONTH ENDED MARCH 31, 2022

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





Distribution:

Grand Rapids – Kent County Convention / Arena Authority Cheri McConomy Tony Cima Jeffrey Wong David Schmid Richard MacKeigan Chris Machuta



	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	78	28	106	78	28
ATTENDANCE	424,594	189,500	614,094	523,600	90,494
DIRECT EVENT INCOME	1,125,957	502,825	1,628,782	913,770	715,012
ANCILLARY INCOME	1,864,690	977,736	2,842,426	1,334,871	1,507,555
OTHER EVENT INCOME	878,184	340,000	1,218,184	593,600	624,584
TOTAL EVENT INCOME	3,868,831	1,820,561	5,689,392	2,842,241	2,847,151
TOTAL OTHER INCOME	1,031,691	514,000	1,545,691	1,904,403	(358,712)
TOTAL INCOME	4,900,522	2,334,561	7,235,083	4,746,644	2,488,439
INDIRECT EXPENSES					
EXECUTIVE	165,741	72,534	238,275	254,342	16,067
FINANCE	133,903	61,329	195,232	236,266	41,034
MARKETING	153,213	78,732	231,945	286,461	54,516
OPERATIONS	1,280,768	690,961	1,971,729	2,071,178	99,449
BOX OFFICE	158,103	70,606	228,709	299,012	70,303
LUXURY SEATING	-	-	-	-	-
SKYWALK ADMIN	17,367	6,657	24,024	51,237	27,213
OVERHEAD	1,091,638	419,461	1,511,099	1,315,797	(195,302)
TOTAL INDIRECT EXP.	3,000,733	1,400,280	4,401,013	4,514,293	113,280
NET REVENUE ABOVE EXPENSES	1,899,790	934,281	2,834,070	232,351	2,601,719
LESS INCENTIVE FEE			-	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,899,790	934,281	2,834,070	232,351	2,601,719
			1		

Comments:

March concludes a very successful 3rd quarter of the fiscal year for the Arena with its most successful month since reopenning. The 4th quarter is very concert heavy and should drive total revenues above expenses for the fiscal year above \$2.8 million.

General Manager

Assistant General Manager

VAN ANDEL ARENA FINANCIAL STATEMENT HIGHLIGHTS FOR FISCAL YEAR ENDING JUNE 30, 2022

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

MONTH	March	March	March
	Actual	Budget	FY 2021
Number of Events	14	21	-
Attendance	87,377	133,200	-
Direct Event Income	\$319,996	\$291,590	\$9,167
Ancillary Income	355,055	297,996	0
Other Event Income	167,703	110,100	(3)
Other Operating Income	154,584	208,867	12,092
Indirect Expenses	(393,491)	(401,107)	(218,032)
Net Income	\$603,847	\$507,446	(\$196,776)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	78	65	7
Attendance	424,594	428,300	-
Direct Event Income	\$1,125,957	\$677,810	\$75,352
Ancillary Income	1,864,690	1,103,417	18,120
Other Event Income	878,184	425,600	726
Other Operating Income	1,031,691	1,272,952	482,189
Indirect Expenses	(3,000,732)	(3,310,971)	(1,761,470)
Net Income	\$1,899,790	\$168,808	(\$1,185,083)

EVENT INCOME

Event income came in higher than budget for the month on the strength of the Monster Jam show and sold out Tool and Reba concerts.

ANCILLARY INCOME

Ancillary income came in higher than budget for the month. Tool set a new gross/per cap record for merchandise for their sold out date.

INDIRECT EXPENSES

Indirect expenses continue to come in consistent with budget overall.

Van Andel Arena Income Statement For the Nine Months Ended March 31, 2022

	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 Service Revenue Service Expenses	\$ 535,421 282,523 (497,948)	199,800	\$ 44,631 82,723 (98,948)	-	1,821,983	\$ 1,387,010 962,800 (1,672,000)	859,183 (1,270,814)	\$ 95,024 87,857 (107,529)
Total Direct Event Income	319,996	291,590	28,406	9,167	1,125,957	677,810	448,147	75,352
Ancillary Income F&B Concession F&B Catering Novelty Sales Booth Cleaning Audio Visual Other Ancillary Total Ancillary Income	315,406 21,494 18,155 - - - - 355,055	277,027 12,791 8,178 - - - - - - - - - 297,996	38,379 8,703 9,977 - - - - - - - - - 5 7,059	- - - - - - -	1,630,388 114,245 116,462 - 95 3,500	982,668 81,371 39,378 - - - - - - - - 1,103,417	647,720 32,874 77,084 - 95 3,500	- - - 660 - 17,460
							~~~	***
Other Event Income Ticket Rebates(Per Event)	167,703	110,100	57,603	(3)	878,184	425,600	452,584	726
Total Other Event Income	167,703	110,100	57,603	(3)	878,184	425,600	452,584	726
Total Event Income	842,754	699,686	143,068	9,164	3,868,831	2,206,827	1,662,004	94,198
Other Operating Income Luxury Box Agreements Advertising Other Income	116,409 38,000 175	145,867 54,000 9,000	(29,458) (16,000) (8,825)	-	788,208 228,000 15,483	894,952 324,000 54,000	(106,744) (96,000) (38,517)	293,980 144,466 43,743
Total Other Operating Income	154,584	208,867	(54,283)	12,092	1,031,691	1,272,952	(241,261)	482,189
Adjusted Gross Income	997,338	908,553	88,785	21,256	4,900,522	3,479,779	1,420,743	576,387
Operating Expenses Salaries and Wages Payroll Taxes and Benefits Labor Allocations to Events  Net Salaries and Benefits	192,222 73,952 (127,367) 138,807		(12,056) 14,014 (39,482) (37,524)	37,121	1,470,600 507,286 (813,998) 		(18,614) 37,659 (286,688) (267,643)	527,315 252,833 (68,180) <b>711,968</b>
Contracted Services General and Administrative Operations Repair and Maintenance Operational Supplies Insurance Utilities SMG Management Fees	32,352 31,932 5,841 13,695 33,804 40,844 81,188 15,028	28,046 34,289 7,899 30,875 21,558 17,072 69,708 15,329	4,306 (2,357) (2,058) (17,180) 12,246 23,772 11,480 (301)	5,820 6,285 1,274 23,360 52,371	217,596 284,699 38,707 187,423 167,846 223,562 581,757 135,254	250,614 274,214 69,090 277,875 176,023 135,541 558,123 137,960	(33,018) 10,485 (30,383) (90,452) (8,177) 88,021 23,634 (2,706)	33,018 204,131 14,571 110,593 41,834 106,140 403,961 135,254
Total Operating Expenses	393,491	401,107	(7,616)	218,032	3,000,732	3,310,971	(310,239)	1,761,470
Net Income(Loss) From Operations		507,446	96,401				1,730,982	(1,185,083)
Other Non-Operating Expenses							***************************************	
Adjusted Net Income(Loss)	603,847	507,446	96,401				1,730,982	(1,185,083)

#### SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Event Summary For the Nine Months Ended March 31, 2022

	Events	/Days	Attenda	Attendance		t Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	8	8	41,177	45,000	215,942	187,464
Sporting Event	17	6	74,999	38,000	1,154,854	367,137
Concert	19	13	140,095	106,000	2,070,186	1,077,364
Team Home Games	32	34	158,243	210,800	282,765	496,638
Other	2	4	10,080	28,500	145,082	78,224
GRAND TOTALS	78	65	424,594	428,300	3,868,831	2,206,827
As Percentage of Overall						
Family Show	10.26%	12.31%	9.70%	10.51%	5.58%	8.49%
Sporting Event	21.79%	9.23%	17.66%	8.87%	29.85%	16.64%
Concert	24.36%	20.00%	33.00%	24.75%	53.51%	48.82%
Team Home Games	41.03%	52.31%	37.27%	49.22%	7.31%	22.50%
Other	2.56%	6.15%	2.37%	6.65%	3.75%	3.54%

#### Van Andel Arena Balance Sheet As of March 31, 2022

#### **ASSETS**

Current Assets		
Cash	9,521,997	
Account Receivable	712,294 12,594	
Prepaid Expenses	12,554	
Total Current Assets		\$10,246,885
Total Appare		\$10,246,885
Total Assets	====	=========
LIABILITI	IES AND EQUITY	
Current Liabilities		
Accounts Payable	1,221,505	
Accrued Expenses	206,593	
Deferred Income	2,639,434	
Advanced Ticket Sales & Deposits	4,084,358	
Total Current Liabilities		\$8,151,890
Other Liabilities		
Equity		
Funds Remitted to CAA	-	
Funds Received by CAA	- FFC 004	
Expenses Paid Direct by CAA	556,881 (361,676)	
Beginning Balance Equity Current Year Equity	1,899,790	
Total Equity		\$2,094,995
Total Liabilities and Equity	<del></del> -	\$10,246,885

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#### SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of March 31, 2022

Current - Under 30 Days Food & Beverage	584,541
Ticketing Merchandise Permanent Advertising	33,088
DeVos Place Operating	(343,924) 319,620
Over 30 Days	118,969
Over 60 Days	
Over 90 Days	
Total Accounts Receivable	712,294

#### SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

#### MANAGEMENT FEE SUMMARY

Net Revenue above Expenses Benchmark++ Excess Incentive Fee Calculation (Only if above)	Arena Estimate 2,824,070  2,824,070  oove greater than	DeVos Place Estimate (487,265) (487,265)	Total Estimate 2,336,805 1,050,000 1,286,805	FY 2021 Actual (5,686,855) 1,050,000 (6,736,855)
Base Fee	Arena Estimate 185,749	DeVos Place Estimate 185,749	Total Estimate 371,497	Total Actual 360,676
Incentive Fee				
Revenue Benchmark Revenue	7,235,083 5,548,039	5,714,179 4,901,666	12,949,262 10,449,705	1,018,204 9,914,331
Revenue Excess Incentive Fee **	1,687,044 250,737	812,513 120,760	2,499,557 371,497	(9,104,314)
Total SMG Management Fee	436,486	306,508	742,994	360,676

^{**} 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: Cheri McConomy

Date: May 4, 2022

**Re:** Convention/Arena Authority (CAA)

Fiscal Year 2023 Budget Recommendation

The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2022 (Fiscal Year 2023). The format of the report provides the Board with an overview of Fiscal Year 2021 actual, Fiscal Year 2022 estimate and Fiscal Year 2023 preliminary recommendations. Preliminary Finance Committee review will be held on May 6th, with final Board review scheduled for June 3rd.

Table A provides a summary of the facility manager (SMG) budget documents submitted under separate cover. Based on SMG's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$1.975 M. Funding, requested for FY 2023, would generate a net operating income of \$544k.

#### Fiscal Year 2023 Operating Assumptions:

- Full-time staffing is back to pre-pandemic levels for the entire fiscal year.
- Van Andel Arena® events will be run at full capacity for the entire fiscal year (nearing pre-pandemic levels) however includes a budgeted decrease in concerts from FY 2022 which saw a near record-breaking number of shows and corresponding attendance levels.
- DeVos Place® events will be run at near full capacity reflecting a slower return to prepandemic levels, with convention and trade show revenues trending at approximately 80% of past performance averages.

The Fiscal Year 2023 consolidated income statement (Table C) forecasts net operating income totaling \$854k. The capital funding required, of \$4.35 M, will be supported by net operating income, 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.

Based on these initial budgetary estimates, it is expected that the CAA will close its Fiscal Year 2022 activities with a "fund balance" approximating \$25.1 million. This would include a recommended minimum operating reserve balance of \$3.0 million and a capital repair/replacement/improvement reserve of \$22.1 million.

The current Table D 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 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. This format provides a bridge between the monthly consolidated financial reports provided to the Finance Committee and CAA Board of Directors.

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 A Grand Rapids-Kent County Convention/Arena Authority SMG Facilities Budget Fiscal Years Ending June 30, 2021 - 2023

	FY 2021	FY 2022	FY 2022	FY 2023
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 729,644	\$ 4,746,644	\$ 7,235,083	\$ 6,642,366
- Expenses - Facilities	(2,315,851)	(4,330,348)	(4,215,264)	(4,858,170)
- Management Fees	(180,339)	(183,945)	(185,749)	(191,321)
- Incentive Fees	-	-	(250,737)	-
Net Operating Income	(1,766,546)	232,351	2,583,333	1,592,875
DeVos Place				
Operating - Revenues	288,560	4,143,265	5,714,179	6,229,122
- Expenses - Facilities	(4,028,560)	(5,725,206)	(6,015,695)	(7,086,270)
- Management Fees	(180,339)	(183,945)	(185,749)	(191,321)
- Incentive Fees			(120,760)	
Net Operating Income/(Loss)	(3,920,339)	(1,765,886)	(608,025)	(1,048,469)
Net Available to CAA:				
Van Andel Arena	(1,766,546)	232,351	2,583,333	1,592,875
DeVos Place	(3,920,339)	(1,765,886)	(608,025)	(1,048,469)
	\$ (5,686,885)	\$ (1,533,535)	\$ 1,975,308	\$ 544,406

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2021-2023

	FY2021	FY 2022	FY 2022	FY 2023	
	Actual	Budget	Estimate	Recommendation	
Revenues:					
Facility Operations	\$ (5,686,885)	\$ (1,533,535)	\$ 1,975,308	544,406	
Utility Reimbursement	1,473,389	1,852,000	2,090,264	2,194,500	
Transfers from SMG	(4,213,496)	318,465	4,065,572	2,738,906	
Federal Grant	\$ -	\$ -	10,000,000	-	
State Grant	1,368,400	-	4,281,393	-	
County Grant	1,909,785	-	42,910	-	
DeVos Place Parking (1	443,267	1,000,000	1,225,869	1,350,000	
VanAndel Parking (1	263,244	278,989	361,701	356,000	
Interest	210,264	165,000	165,000	100,000	
Miscellaneous	129,851	108,000	108,000	68,000	
Total Revenues	111,315	1,870,454	20,250,445	4,612,906	
Expenditures:					
Utilities	1,473,389	1,852,000	2,090,264	2,194,500	
Other Operating (5	331,766	404,989	390,674	443,435	
Administration/Other (6	665,859	843,403	843,403	1,021,330	
Facility Maintenance	4,230,170	-	-	-	
Amphitheater	368,400	-	4,281,393	-	
Capital	873,491	1,356,567	1,387,342	4,353,100 (3)	
Total Expenditures	7,943,075	4,456,959	8,993,076	8,012,365	
let Excess (Deficit)	\$ (7,831,760)	\$ (2,586,505)	\$ 11,257,369	\$ (3,399,459)	
Notes: See Following Pa	(7,831,760)	(2,586,505)	11,257,369	(3,399,459)	

**Notes: See Following Pages** 

Table B-1 Grand Rapids-Kent County Convention/Arena Authority Administrative - Operating / Capital Replacement Budget FY 2023 Budget

### Notes:

(1)DeV	Vos Place Parking Rates:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	30 Minutes	\$ 1.50	\$ 2.00			
	Daily Maximum	15.00	25.00			
	Vehicles with Trailers: Courtesy Validations (2 Hr. Limit) ASM Designated Only	y NC*	NC*			
	Event	10.00	10.00			
	Weekly (ASM Designated Only)**	14.00	14.00			
	Monthly -Public	154.00	159.00			
	-Reserved Premium	58.00	60.00			
	-County/SMG/ASM (O+M)	49.82	58.45			
Van 4	Andel Arena Parking Rates:					
v an z	Event	\$12.00	¢ 1400			
			\$ 14.00			
	Non-Event Coin Unit	12.00	14.00			
	Monthly -Public	112.00	115.00			
* No	Charge					
** Fo	ourteen (14) Day Notice Requirement					
(2)	\$23.6 million (3/31/22 Kent County pool balance) in invested funds at .5%.					
(3)	FY 2023 Proposed Projects:					
	DeVos Place®					
	Projection Theater Upgrades		250,000			
	Performance Hall LED Lighting		50,000			
	Roof Replacement - North of Skylight		375,000	1,687,500	1,687,500	
	Roof Replacement - South of Skylight		,	250,000	1,125,000	1,125,000
	Performance Hall Seating		350,000	,	, ,	, ,
	Theater Box Seats		50,000			
	Ballroom Lighting & Controls		2,100,000	2,100,000	1,300,000	
	Trash Compactor		50,000		, ,	
	Skywalk Carpeting		,	115,000		
		Total DVP	3,225,000	4,152,500	4,112,500	1,125,000
	Van Andel Arena		250,000			
	Suite Refresher		350,000			
	Ice Plant Refrigeration Change		90,000	1 200 000		
	Scoreboard		50.000	1,200,000		
	Trash Compactor		50,000			
	New Condensor Coil		185,000			
	Custom Air Handler Damper Replacement		110,000			
	Radio System Upgrade	Total VAA	100,000 885,000	1,200,000		
		Total VAA	005,000	1,200,000	-	-
	Both Facilities					
	Small Motor Equipment		60,000			
	Computers and Accessories		150,000			
	X-Ray Inspection Systems		33,100			
	Total Bo	oth Facilities	243,100	-	-	-
	Carryover (FY21) Projects:					
	VAA - Suite Refurbishment (\$370,112)					
	Total FY 2023 Capital Budget		\$4,353,100	\$5,352,500	\$4,112,500	\$1,125,000

Table B-1 Grand Rapids-Kent County Convention/Arena Authority Detail of Expenditure Estimates FY 2021-2023

FY 2		FY 2022	FY 2022	F'	Y 2023
Act	tual	Budget	Estimate	Recom	mendation
Utilities ⁽⁴⁾ :					
Electricity \$ 87	3,871 \$	1,257,000 \$	1,277,362	\$	1,320,000
Steam/Gas 48	33,224	550,000	617,149		627,500
Water/Sewer11	6,294	45,000	195,753		247,000
\$ 1,47	\$3,389	1,852,000 \$	2,090,264		2,194,500
Other Operating ⁽⁵⁾ :					
	\$5,495	236,989 \$	222,674	\$	269,625
	1,120	101,000	101,000		101,000
Repairs - F&B	-	40,000	40,000		45,000
Landscaping 2	25,151	27,000	27,000		27,810
\$ 33	\$1,766	404,989 \$	390,674		443,435
Administration/Other ⁽⁶⁾ :					
Arena 25-Year Recognition/New Venue Awareness \$	-	100,000	100,000		100,000
Wages 12	25,305	110,000	110,000		92,200
Benefits 2	26,543	29,000	29,000		19,600
Accounting/Audit 6	50,363	52,000	52,000		99,520
Legal Services 5	3,543	35,000	35,000		36,050
DID Assessment ^(A)	32,110	64,903	64,903		65,720
Consulting Services 12	27,098	91,500	91,500 *		143,165 **
Insurance 2	0,610	26,000	26,000		25,075
Marketing - CVB/WMSC 20	00,000	200,000	200,000		200,000
Diversity Initiative	3,000	100,000	100,000		200,000
Procurement of Art (ArtPrize)	-	25,000	25,000		30,000
Other 1	7,287	10,000	10,000		10,000
Contingent	-	-	-		-
\$ 66	\$5,859	843,403 \$	843,403	\$	1,021,330

### **Notes:**

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

^{*}SMG-\$55,500, Potomac Strategic Development-\$36,000

^{**}SMG-\$57,165; Potomac Strategic Development-\$36,000; Progressive AE \$50,000

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2021-2023

		F	Y 2021	FY 2022	FY 2022			FY 2023	
			Actual	Budget		Estimate	Rec	ommendation	
Operating Reven	ue:								
Event	- VanAndel Arena	\$	92,336	\$ 913,770	\$	1,628,782	\$	1,401,940	
	- DeVos Place		165,237	2,352,417		3,174,600		3,970,350	
Ancillary	- VanAndel Arena		54,586	1,334,871		2,842,426		1,716,326	
	- DeVos Place		25,111	1,401,350		1,654,265		2,208,772	
Other	- VanAndel Arena		582,722	2,498,003		2,763,875		3,524,100	
	- DeVos Place		98,212	389,498		885,314		50,000	
	- Administration		129,851	108,000		10,150,910		68,000	
Parking	- VanAndel Arena		263,244	278,989		361,701		356,000	
	- DeVos Place		443,267	 1,000,000		1,225,869		1,350,000	
			1,854,566	 10,276,898		24,687,742		14,645,488	
Operating Expen Facility Op	se / Appropriations:								
	- VanAndel Arena		2,315,851	4,330,348		4,215,264		4,858,170	
	- DeVos Place		4,028,560	5,725,206		6,015,695		7,086,270	
	- Management		360,678	367,890		371,498		382,642	
	- Incentive		-	-		371,497		-	
	- Parking/Maintenance		331,766	404,989		390,674		443,435	
Other Ope	rating		1,320,385	-		-		-	
Administra	ation/Other		1,034,259	 843,403		843,403		1,021,330	
			9,391,499	 11,671,836		12,208,031		13,791,847	
Operating Income Non-Operating R		(	(7,536,933)	(1,394,938)		12,479,711		853,641	
Interest/Ca	pital Contribution		578,664	165,000		165,000		100,000	
Transfer (t	o) from Capital Acct.		(873,491)	(1,356,567)		(1,387,342)		(4,353,100)	
			(294,827)	 (1,191,567)		(1,222,342)		(4,253,100)	
Net Income (Los	ss)	(	(7,831,760)	(2,586,505)		11,257,369		(3,399,459)	
Fund Balance, h	oeg. of yr.	2	1,628,680	 13,796,920		13,796,920		25,054,289	
Fund Balance, e	end of yr.	\$ 1	3,796,920	\$ 11,210,415	\$	25,054,289	\$	21,654,831	

# Table D Grand Rapids-Kent County Convention/Arena Authority Budget Summary by Facility/Other FY 2021-2022 Actual FY 2023 Budget

	FY 2021	FY 2022	FY 2022	FY 2023	
	Actual	Budget	Estimate	Recommendation	
Van Andel Arena					
Operating - Revenues	\$ 729,644	\$ 4,746,644	\$ 7,235,083	\$ 6,642,366	
- Expenses - Facilities	(2,315,851)	(4,330,348)	(4,215,264)	(4,858,170)	
- Management Fees	(180,339)	(183,945)	(185,749)	(191,321)	
- Incentive Fee		<u> </u>	(250,737)		
Net Operating Income (Loss)	(1,766,546)	232,351	2,583,333	1,592,875	
Parking	263,244	278,989	361,701	356,000	
Pedestrian Safety		(65,000)	(65,000)	(65,000)	
Net Proceeds (Cost) of VAA	(1,503,302)	446,340	2,880,034	1,883,875	
<b>DeVos Place Convention Center</b>	200 7.00	4.440.045	1 1 1 <del>-</del> 0	< <b>22</b> 0 122	
Operating - Revenues	288,560	4,143,265	5,714,179	6,229,122	
- Expenses - Facilities	(4,028,560)	(5,725,206)	(6,015,695)	(7,086,270)	
- Management Fees	(180,339)	(183,945)	(185,749)	(191,321)	
- Incentive Fee	-	-	(120,760)	- (1.0.10.1.10)	
Net Operating Loss	(3,920,339)	(1,765,886)	(608,025)	(1,048,469)	
Parking	207,772	763,011	1,003,195	1,080,375	
Pedestrian Safety	(71,120)	(36,000)	(36,000)	(36,000)	
Net Proceeds (Cost) of DVP	(3,783,687)	(1,038,875)	359,170	(4,094)	
Other					
Revenues					
Interest	210,264	165,000	165,000	100,000	
Miscellaneous	129,851	108,000	10,150,910	68,000	
	340,115	273,000	10,315,910	168,000	
Expenses					
Administration	(665,859)	(883,403)	(883,403)	(1,066,330)	
Other Operating	(25,151)	(27,000)	(27,000)	(27,810)	
	(691,010)	(910,403)	(910,403)	(1,094,140)	
Net Other	(350,895)	(637,403)	9,405,507	(926,140)	
Total Net Proceeds/Operating	(5,637,884)	(1,229,938)	12,644,711	953,641	
Capital Expenditures	(2,193,876)	(1,356,567)	(1,387,342)	(4,353,100)	
Results Net of Capital Expenditures	\$ (7,831,760)	\$ (2,586,505)	\$11,257,369	\$ (3,399,459)	

Table E
Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2014 through 2023
4-May-22
(In Thousands)

	Actual							Est.	Rec.	
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
VAA - Net Proceeds	\$ 532	\$ 1,610	\$ 1,980	\$ 2,865	\$ 2,338	\$ 4,367	\$ 1,938	\$ (1,503)	\$ 3,131	\$ 1,884
DVP - Net Proceeds	445	908	1,625	1,465	1,441	1,243	(688)	(3,784)	480	(4)
SMG Incentive Fees	-	(344)	(344)	(347)	(353)	(353)	-	-	(371)	-
Other-Net Proceeds	(456)	(308)	(565)	(442)	(516)	(447)	(591)	(351)	9,406	(926)
Total Net Operating	521	1,866	2,696	3,541	2,910	4,810	659	(5,638)	12,645	954
Capital	(2,565)	(1,130)	(2,361)	(2,360)	(2,618)	(4,245)	(3,299)	(2,194)	(1,387)	(4,353)
Transfer To/(From) Fund Balance	(2,044)	736	335	1,181	292	565	(2,640)	(7,832)	11,257	(3,399)
Fund Balance, End of Year	\$21,160	\$21,896	\$22,230	\$23,411	\$ 23,703	\$24,268	\$21,628	\$13,796	\$ 25,054	\$ 21,654

# 15 Year Fund Balance Projection

	Beginning Fund Balance	Revenue	Expense	Capital	Ending Fund Balance
FY 2022	13,796,920	14,027,611	1,382,900	1,387,342	25,054,289
FY 2023	25,054,289	2,418,406	1,464,765	4,353,100	21,654,830
FY 2024	21,654,830	4,180,215	1,924,509	5,352,500	18,558,036
FY 2025	18,558,036	4,211,805	1,962,999	4,112,500	16,694,342
FY 2026	16,694,342	4,254,288	2,002,259	2,000,000	16,946,371
FY 2027	16,946,371	4,314,332	2,042,303	2,000,000	17,218,400
FY 2028	17,218,400	4,376,271	2,083,149	2,000,000	17,511,521
FY 2029	17,511,521	4,440,166	2,124,813	2,000,000	17,826,875
FY 2030	17,826,875	4,506,079	2,167,308	2,000,000	18,165,645
FY 2031	18,165,645	4,574,073	2,210,655	2,000,000	18,529,064
FY 2032	18,529,064	4,644,216	2,254,868	2,000,000	18,918,411
FY 2033	18,918,411	4,716,576	2,299,966	2,000,000	19,335,021
FY 2034	19,335,021	4,791,225	2,345,965	2,000,000	19,780,281
FY 2035	19,780,281	4,868,233	2,392,884	2,000,000	20,255,629
FY 2036	20,255,629	4,947,677	2,440,742	2,000,000	20,762,564

# Assumptions:

- 1. All facility activity remains consistent with FY22 expectations combined with 3 Year average pre-pandemic.
- 2. Parking & CAA Miscellaneous revenue have 3% annual increases.
- 3. Interest is based on a rate of .75% calculated on the beginning year fund balance.
- 4. CAA Admin budget includes the "funding" line items for CIG, CVB, and Sports Commission.
- 5. CAA Other includes Parking and Pedestrian Safety as main line items.
- 6. Capital comes from ASM working document, will be revised again for the FY23 budget cycle.
- 7. All capital numbers are stated in current year dollars with no inflation built in.

# **Bond Summary**

All VAA bonds are scheduled to be paid in full on June 1, 2024

All DVP bonds are scheduled to be paid in full on December 1, 2031

DeVos Place Fiscal Year Ending June 30, 2022				
Lead Income Statement		Prior Year	Variance	Percentage
Lead income Statement		FY 2022	More	Change
	FY 2023	Rolling	/	Increase
	Budget	Forecast	(Less)	(Decrease)
Event Income	Budget	Porecast	(Less)	(Decrease)
Direct Event Income				
Rental Income	3,484,210		3,484,210	#DIV/0!
Service Income	3,808,266		3,808,266	#DIV/0!
Service Expenses	(3,860,526)		(3,860,526)	#DIV/0!
Total Direct Event Income	3,431,950	3,174,600	3,431,950	108.11%
Ancillary Income				
F & B Concessions	225,459		225,459	#DIV/0!
F & B Catering	720,397		720,397	#DIV/0!
Novelty Sales	20,240		20,240	#DIV/0!
Booth Cleaning	327,640		327,640	#DIV/0!
Telephone/Long Distance	200		200	#DIV/0!
Electrical Services	374,552		374,552	#DIV/0!
Audio Visual	275,546		275,546	#DIV/0!
Internet Services	101,140		101,140	#DIV/0!
Equipment Rental	163,598		163,598	#DIV/0!
Total Ancillary Income	2,208,772	1,654,265	2,208,772	133.52%
Other Event Income				
Ticket Rebates (Per Event)	538,400		538,400	#DIV/0!
Total Other Event Income	538,400	791,462	538,400	68.03%
Total Event Income	6,179,122	5,620,327	6,179,122	109.94%
Other Operating Income	50,000	93,852	(43,852)	-46.72%
Adjusted Gross Income	6,229,122	5,714,179	6,135,270	107.37%
Operating Expenses				
Employee Salaries and Wages	3,789,554		(3,789,554)	#DIV/0!
Benefits	1,199,464		(1,199,464)	#DIV/0!
Less: Event Labor Allocations	(1,832,400)		1,832,400	#DIV/0!
Net Employee Wages and Benefits	3,156,618	-	(3,156,618)	#DIV/0!
Contracted Services	470,600		(470,600)	#DIV/0!
General and Administrative	475,230		(475,230)	#DIV/0!
Operations	166,222		(166,222)	#DIV/0!
Repair & Maintenance	584,000		(584,000)	#DIV/0!
Supplies	308,100		(308,100)	#DIV/0!
Insurance	392,700		(392,700)	#DIV/0!
Utilities	1,532,800		(1,532,800)	#DIV/0!
SMG Management Fees	191,321		(191,321)	#DIV/0!
Total Operating Expenses	7,277,591	6,201,444	(7,277,591)	-117.35%
Net Income (Loss) From Operations	(1,048,469)	(487,265)	(1,142,321)	234.44%
Other Income (Expenses)				
Net Income After Other Income (Expenses)	(1,048,469)	(487,265)	(1,142,321)	234.44%
			· <del></del>	<del></del>

Van Andel Arena Fiscal Year Ending June 30, 2022				
Lead Income Statement		Prior Year	Variance	Percentage
		FY 2022	More	Change
	FY 2023	Rolling	/	Increase
	Budget	Forecast	(Less)	(Decrease)
Event Income				
Direct Event Income				
Rental Income	2,285,140		2,285,140	#DIV/0!
Service Income	2,003,800		2,003,800	#DIV/0!
Service Expenses	(2,887,000)		(2,887,000)	#DIV/0!
Total Direct Event Income	1,401,940	1,628,782	1,401,940	86.07%
Ancillary Income				
F & B Concessions	1,487,622		1,487,622	#DIV/0!
F & B Catering	125,246		125,246	#DIV/0!
Novelty Sales	103,458		103,458	#DIV/0!
Booth Cleaning	-		-	
Other Ancillary			-	#DIV/0!
Total Ancillary Income	1,716,326	2,842,426	1,716,326	60.38%
Other Event Income				
Ticket Rebates (Per Event)	1,195,500		1,195,500	#DIV/0!
Total Other Event Income	1,195,500	1,218,184	1,195,500	98.14%
Total Event Income	4,313,766	5,689,392	4,313,766	75.82%
Other Operating Income	2,328,600	1,545,691	782,909	50.65%
Adjusted Gross Income	6,642,366	7,235,083	5,096,675	70.44%
Operating Expenses				
Employee Salaries and Wages	2,416,002		(2,416,002)	#DIV/0!
Benefits	721,423		(721,423)	#DIV/0!
Less: Event Labor Allocations	(994,625)		994,625	#DIV/0!
Net Employee Wages and Benefits	2,142,800	-	(2,142,800)	#DIV/0!
Contracted Services	439,200		(439,200)	#DIV/0!
General and Administrative	405,970		(405,970)	#DIV/0!
Operations	86,200		(86,200)	#DIV/0!
Repair & Maintenance	376,500		(376,500)	#DIV/0!
Supplies	276,200		(276,200)	#DIV/0!
Insurance	284,000		(284,000)	#DIV/0!
Utilities	847,300		(847,300)	#DIV/0!
SMG Management Fees	191,321		(191,321)	#DIV/0!
Total Operating Expenses	5,049,491	4,401,013	(5,049,491)	-114.73%
Net Income (Loss) From Operations	1,592,875	2,834,070	47,184	1.66%
Other Income (Expenses)		-	-	_
Net Income After Other Income (Expenses)	1,592,875	2,834,070	47,184	1.66%

# SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2023

### MANAGEMENT FEE SUMMARY

Total SMG Management Fee

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Forecast
Net Revenue above Expenses	1,592,875	(1,048,469)	544,406	2,366,805
Benchmark++	1,372,073	(1,040,40))	1,050,000	1,050,000
Excess	1,592,875	(1,048,469)	(505,594)	1,316,805
Incentive Fee Calculation (Only if abo	ove greater than	ı zero)		
	Arena	DeVos Place	Total	Total
	Estimate	Estimate	Estimate	Forecast
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	6,642,366	6,229,122	12,871,488	12,949,262
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess Incentive Fee **	622,744 6,019,622	910,814 5,318,308	1,533,558	2,499,557 371,497

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

5,509,629

382,642

742,994

6,210,943

⁺⁺ 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.

May 6, 2022

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 ASM Global's recommendations for Room Rental Rates for DeVos Place, effective FY July 2023 through FY June 2027. ASM Global 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 post pandemic. These rental rates reflect rates of comparable venues of comparable size in the country.

For the last two years, Cvent has published an annual/survey report to show suppliers what planners want and need when sourcing for magnificent event experiences during and post pandemic.

Planners are hopeful and expect to feel better about the state of in-person meetings and events in six months.

- Forty-nine percent feel either positive or neutral about the current state of in-person meetings and events.
- Eighty-two percent say they will feel either positive or neutral about in-person events in six months
- Sixty-five percent of responding venues say they have increased their pricing. Twenty-six percent of member venues say their pricing has stayed the same since the outbreak of COVID 19.

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.

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

Attachments: Rental Rate Schedules FY's 2023, 2024 ,2025, 2026,2027

		EV 2022 (July 1-20	)22 – June 30, 2023)			
ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,800 vs 12%	\$3,800/1st Performance \$1,900/2nd 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
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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.

N/A

\$1,050 vs

12%

Recital Hall or

Monroe Meeting

Room A

\$1,050 per day

\$1,050 per day

\$1,050

\$1,050

FY 2024 (July 1, 2023 - June 30, 2024)

ROOM	PERFORM	FY 2024 (July 1, 20  ARTS GROUPS	23 – June 30, 2024)  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%	\$4,400/1st Performance \$2,200/2nd 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 1st or 2nd	\$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	\$1,075 vs 12%	N/A	\$1,075 per day	\$1,075 per day	\$1,075	\$1,075

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Room A

			24 – June 30, 2025)		ONEDAY	
ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$4,000 vs 12%	\$4,000/1st Performance \$2,000/2nd Performance	N/A	N/A	\$4,500	N/A
DeVos Hall (Fri-Sat)	\$4,500 vs 12%	\$4,500/1st Performance \$2,250/2nd 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 1st or 2nd	\$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	\$1,125 vs 12%	N/A	\$1,125 per day	\$1,125 per day	\$1,125	\$1,125

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Room A

FY 2026 (July 1, 2025 - June 30, 2026)

ONE DAY	
NAME OF TAXABLE PARTY.	

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$4,100 vs 12%	\$4,100/1st Performance \$2,050/2nd Performance	N/A	N/A	\$4,100	N/A
DeVos Hall (Fri-Sat)	\$4,600 vs 12%	\$4,600/1st Performance \$2,300/2nd 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	\$16,900 or \$.29 net sq. ft.	\$16,900	\$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
Baliroom 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

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FY 2027(July 1, 2026 – June 30, 2027)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$4,200 vs 12%	\$4,200/1st Performance \$2,100/2nd Performance	N/A	N/A	\$4,610	N/A
DeVos Hall (Fri-Sat)	\$4,700 vs 12%	\$4,700/1st Performance \$2,350/2nd Performance	N/A	N/A	\$5,200	N/A
Hall A-C	\$25,800 vs 12%	N/A	\$22,425 or \$.25 net sq. ft.	\$25,800 or \$.29 net sq. ft.	\$25,800	\$13,650
Hall A-B or B-C	\$17,250 vs 12%	N/A	\$14,950 or \$.25 net sq. ft	\$17,200 or \$.29 net sq. ft.	\$17,200	\$9,100
Hall A, B, Or C	\$8,600 vs 12%	N/A	\$7,475 or \$.25 net sq. ft.	\$8,600 or \$.29 net sq. ft.	\$8,600	\$4,550
Meeting Rooms Grand Gallery 1 st or 2 nd	\$2,050 vs 12%	N/A	\$1,800 or \$.25 net sq. ft.	\$2,050 or \$.29 net sq. ft.	\$2,050	\$1,350
Meeting Rooms Grand Gallery Individual	\$800 vs 12%	N/A	\$800 or \$.25 net sq. ft.	\$800 or \$.29 net sq. ft.	\$800	\$800
Ballroom	\$7,550 vs 12%	N/A	\$6,550 or \$.25 net sq. ft.	\$7,550 or \$.29 net sq. ft.	\$7,550	\$4,600
Ballroom A,B,C-D	\$2,300 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	\$1,750 vs 12%	N/A	\$1,700 or \$.25 net sq. ft.	\$1,750 or \$.29 net sq. ft.	\$1,750	\$1,650
River Overlook Meeting Rooms	\$800 vs 12%	N/A	\$800 per day	\$800 per day	\$800	\$800
Board Room	N/A	N/A	\$850 per day	\$850 per day	\$850	\$850
Monroe Meeting Rooms A-D	\$1,650 vs 12%	N/A	\$1,600 per day	\$1,650 per day	\$1,650	\$1,600
Monroe Meeting Room B, C, or D	N/A	N/A	\$700 per day	\$700 per day	\$700	\$700
Recital Hall or Monroe Meeting Room A	\$1,200 vs 12%	N/A	\$1,200 per day	\$1,200 per day	\$1,200	\$1,200

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## Memorandum

**To:** Jay Preston, Finance Committee Chairperson

**CAA Board** 

From: Cheri McConomy

**Subject:** Auto Parking System Periodic Reporting

Date: May 6, 2022

The previously (6/5/20) 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 (FY22) periodic report includes the following information:

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

The City currently holds 116 monthly passes. The County currently holds 171 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 1/1/22 and 3/31/22. The County decreased the number of passes out by 3 between 1/1/22 and 3/31/22.

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 \$49.82.

The City currently holds 116 passes with a total annualized discount of \$145,019. The County currently holds 171 passes with a total annualized discount of \$213,777.

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 FY22	Total Spaces End of Q3 FY22	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	24	25	1	\$2,604.50	\$91.22
KC Facilities Management	150	146	-4	\$15,210.28	(\$364.88)
City of GR	115	116	1	\$12,084.88	\$91.22
Total	289	287	-2	\$29,899.66	(\$182.44)

^{*}Current Market Rate is \$154 monthly, City/County Contractual Rate is \$49.82 monthly, effective 7/1/2021.