



Agenda

Board of Directors

Friday, November 3, 2017
Following CAA Finance Committee Meeting
Kent County Commission Chambers
300 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|----|---|----------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of October 6, 2017 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Experience Grand Rapids Report | |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending September 30, 2017 | Action |
| | ii. SMG September 2017 Financial Statements – Van Andel Arena® and DeVos Place® | Information |
| | iii. First Quarter Capital Roll Update | Information |
| | iv. Auto Parking System Periodic Reporting | Information |
| 4. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 5. | Public Comment | |
| 6. | Adjournment | |

Next Meeting Date: Friday, December 1, 2017
Joint Board and Committee Meeting
Van Andel Arena®

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
Friday, October 6, 2017**

Attendance

Members Present: Steve Heacock, Chairperson
Rosalynn Bliss
Lew Chamberlin
Charlie Secchia
Floyd Wilson, Jr.

Members Absent: Birgit Klohs
Richard Winn

| | | |
|---------------|-----------------|-------------------------|
| Staff/Others: | Kathy Bart | SMG |
| | Tom Bennett | Experience Grand Rapids |
| | Tim Gortsema | Grand Rapids Griffins |
| | Chris Machuta | SMG |
| | Rich MacKeigan | SMG |
| | Doug Small | Experience Grand Rapids |
| | Scott Smith | Dickinson Wright |
| | Greg Sundstrom | Grand Rapids |
| | Eddie Tadlock | SMG |
| | Brad Thomas | Progressive AE |
| | John Van Houten | Progressive AE |
| | Susan Waddell | CAA |
| | Jana Wallace | Grand Rapids |

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 9:20 a.m. Susan Waddell recorded the meeting minutes in the absence of Secretary/Treasurer, Richard Winn. Chair Heacock moved item #7 to the top of the agenda.

2. Resolution Approving and Authorizing Execution of an Easement to the City of Grand Rapids

Mr. MacKeigan recommended approval of the Resolution Approving and Authorizing Execution of an Easement to the City of Grand Rapids. The City of Grand Rapids has undertaken Grand River projects to restore the rapids, improve wildlife habitat, improve public access, enhance public overlooks, increase the level of flood protection, and increase recreational opportunities. To accomplish these projects, the City needs to acquire an easement over the DeVos Place® property to provide for pedestrian access, life cycle repairs or improvements of the flood protection system, flood control, and rights to make improvements in the Grand River.

Mr. MacKeigan has spoken with representatives of the City, Attorney Richard Wendt, and the attorney with Dickinson Wright who is representing the City, and they have confirmed that this easement will have no impact on the facility's operation. The easement will not affect the CAA's use of the convention center, including all outdoor areas, in the same manner as they have been used in the past or are intended to be used in the future.

Mayor Bliss added that this project is critical for restoring the rapids.

Motion by Mr. Chamberlin, support by Mr. Wilson, to approve the Resolution Approving and Authorizing Execution of an Easement to the City of Grand Rapids. Motion carried.

3. Minutes of Prior Meeting

Motion by Mr. Wilson, support by Mr. Secchia, to approve the August 4, 2017, Minutes. Motion carried.

4. Amend Minutes of June 21, 2017

Motion by Mr. Wilson, support by Mr. Chamberlin, to approve the June 21, 2017, Amended Minutes. Motion carried.

5. Committee Reports

A. Operations Committee

i. Experience Grand Rapids Report

Mr. Bennett acknowledged James Gill, of Gerald R. Ford International Airport, and Sheriff Stelma for working to bring national conventions to town.

B. Finance Committee

i. Acceptance of August 2017 Consolidated Financial Statements

Mr. Machuta presented the consolidated financial report for the period ended August 31, 2017. The dashboard showed that 2 concerts generated \$127,683 in event revenue, a decrease of (81.8%) from prior year (6 concerts) of \$702,417. DeVos Place® convention/trade show business generated \$589,703 in event revenue, an increase of +63.6%) from prior year (attendance increased from 24,285 to 36,141) of \$360,414.

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

iii. SMG August 2017 Van Andel Arena® and DeVos Place® Financial Statements

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

6. Application to Liquor Control Commission for Special License

Staff requested approval to submit an application to the Michigan Liquor Control Commission for special liquor licenses in conjunction with the International Wine, Beer & Food Festival that will be held November 16-18, 2017.

Motion by Ms. Bliss, support by Mr. Secchia, to approve an application to the Michigan Liquor Control Commission for special liquor licenses in conjunction with the International Wine, Beer & Food Festival. Motion carried.

7. Director & Officer Insurance Renewal

Staff requested renewal of the director and officer liability insurance with insurer Michigan Municipal Risk Management Authority (MMRMA):

| | |
|---------------------------|----------|
| 2016-17 Expiring premium: | \$17,804 |
| 2017-18 Renewal premium: | \$17,265 |
| Total Change | - \$ 539 |
| % Change (+ -) | -3.0% |

Motion by Ms. Bliss, support by Mr. Secchia, to approve renewal of the director and officer liability insurance. Motion carried.

8. Results of SMG Survey

Chair Heacock stated the survey resulted in very high praise for SMG and especially for Rich MacKeigan and staff. The survey was sent to 48 individuals, including Board members, committees, and vendors. Five of seven CAA Board members responded and were very consistent in their answers. Two-thirds of the results from the CIG included comments on diversity. All respondents concurred to renew the management agreement with SMG.

9. SMG Report and Facilities Calendars

Mr. MacKeigan provided a summary of upcoming events that will be held at DeVos Place® and the Van Andel Arena®. The Griffins home opener is tonight and they play tomorrow, as well.

10. Public Comment

None.

11. Adjournment

The meeting adjourned at 9:35 a.m.

Susan M. Waddell, Recording Secretary

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
September 30, 2017**

| | Page |
|---|-------------|
| Dashboard | 1 |
| Summary by Facility | |
| Rolling Forecast | 2 |
| Year-to-Date Comparable | 3 |
| Trend Analysis | |
| Monthly Net Proceeds - FY17 & FY18 | 4 |
| Rolling 12-Month Comparison - FY17 & FY18 | 5 |
| Significant Notes | 6 |
| Administrative Accounts | |
| Year-to-Date Comparable | 7 |



**Financial Dashboard
Year-To-Date (3 Months)
September 30, 2017**

| Van Andel Arena® | | | | | | |
|--|-------------------|---------------|---------------|-------------------------|----------------|----------------|
| | All Events | | | Concert | | |
| | Prior Year | Budget | Actual | Prior Year | Budget | Actual |
| Events | 11 | 13 | 12 | 8 | 4 | 4 |
| Attendance | 73,744 | 51,500 | 48,734 | 68,119 | 32,000 | 33,941 |
| Event Income | \$ 985,091 | \$ 480,930 | \$ 452,220 | \$ 902,152 | \$ 343,160 | \$ 353,341 |
| DeVos Place® | | | | | | |
| | All Events | | | Convention/Trade | | |
| | Prior Year | Budget | Actual | Prior Year | Budget | Actual |
| Events | 81 | 88 | 114 | 33 | 30 | 54 |
| Attendance | 61,350 | 78,900 | 78,180 | 28,810 | 30,000 | 41,241 |
| Event Income | \$ 871,614 | \$ 1,123,826 | \$ 1,198,664 | \$ 427,969 | \$ 571,500 | \$ 681,542 |
| | | | | Prior Year | Budget | Actual |
| Operating Income (Loss) | | | | \$ (7,803) | \$ (363,253) | \$ (273,967) |
| Capital/Repair/Replacement | | | | (699,382) | (886,651) | (929,310) |
| Net - To/(From) on Fund Balance | | | | \$ (707,185) | \$ (1,249,904) | \$ (1,203,277) |

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2017*

\$ 23,411,454

*Subject to Audit

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2018

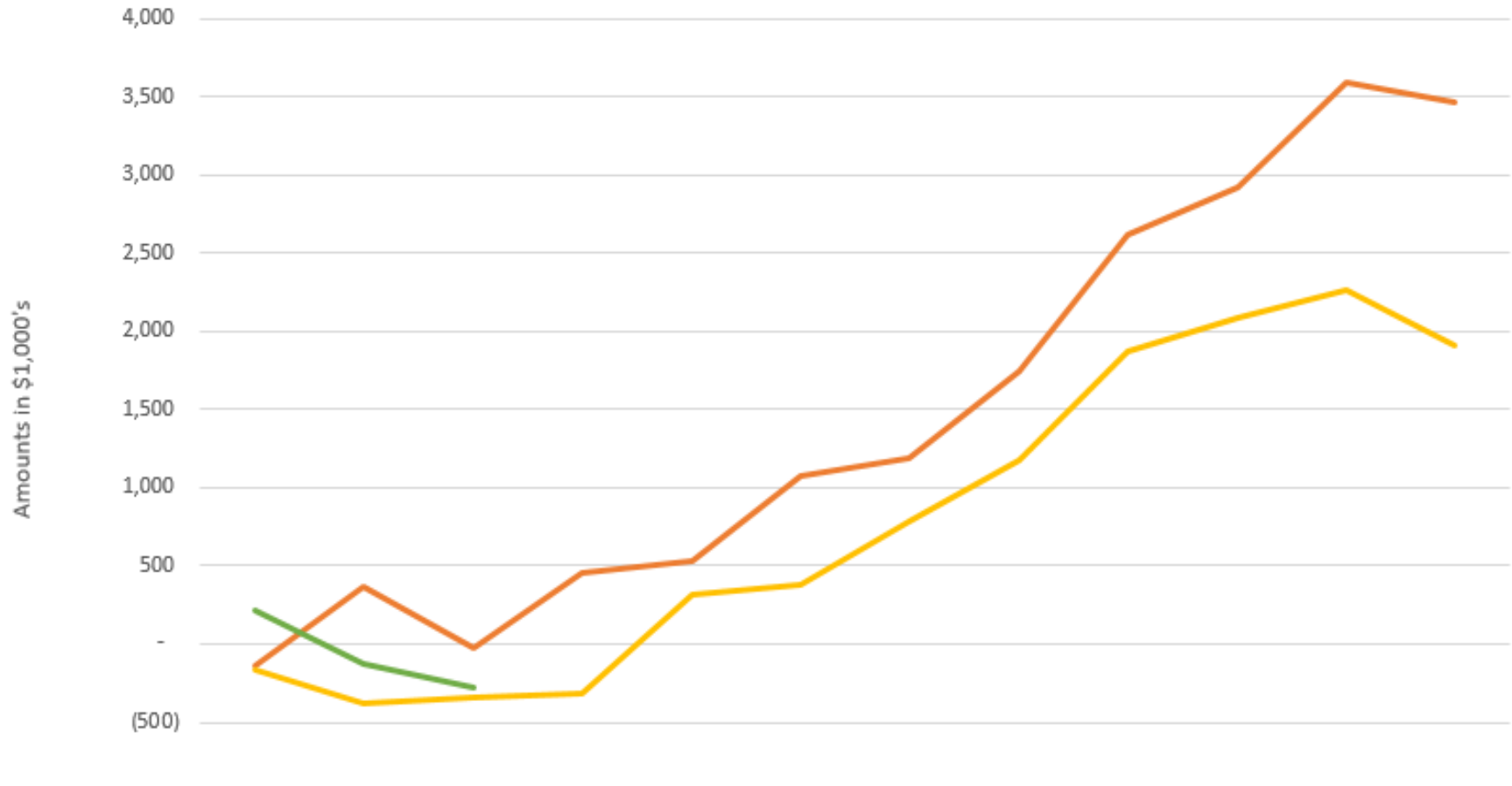
| | FY 2018 | | | | FY 2017 |
|--|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
| | 7/1 - 9/30 | | | | |
| | Year-to-Date | Roll | Estimate* | Budget | Prior Year |
| Van Andel Arena | | | | | |
| Operating - Revenues | \$ 1,002,873 | \$ 4,880,205 | \$ 5,883,078 | \$ 5,862,420 | \$ 7,215,161 |
| - Expenses - Facilities | (1,074,661) | (3,343,063) | (4,417,724) | (4,417,724) | (4,384,253) |
| - Base Management Fees | (58,813) | (118,321) | (177,134) | (177,134) | (173,661) |
| - Incentive Fee | - | (97,631) | (97,631) | (101,780) | (178,902) |
| Net Operating Income (Loss) | (130,601) | 1,321,190 | 1,190,589 | 1,165,782 | 2,478,345 |
| Parking | 85,875 | 299,112 | 384,987 | 384,987 | 314,180 |
| Pedestrian Safety | (3,354) | (104,646) | (108,000) | (108,000) | (106,657) |
| Net Proceeds (Cost) of VAA | (48,080) | 1,515,656 | 1,467,576 | 1,442,769 | 2,685,868 |
| DeVos Place Convention Center | | | | | |
| Operating - Revenues | 1,207,405 | 5,259,161 | 6,466,566 | 6,337,310 | 6,491,239 |
| - Expenses - Facilities | (1,582,536) | (4,396,912) | (5,979,448) | (5,979,448) | (6,016,985) |
| - Base Management Fees | (44,110) | (133,024) | (177,134) | (177,134) | (173,661) |
| - Incentive Fee | - | (255,249) | (255,249) | (252,488) | (168,420) |
| Net Operating Income (Loss) | (419,241) | 473,976 | 54,735 | (71,760) | 132,173 |
| Parking | 243,131 | 900,635 | 1,143,766 | 1,143,766 | 1,221,140 |
| Pedestrian Safety | (3,099) | (47,901) | (51,000) | (51,000) | (56,179) |
| Net Proceeds (Cost) of DVP | (179,209) | 1,326,710 | 1,147,501 | 1,021,006 | 1,297,134 |
| Other | | | | | |
| Revenues | 59,296 | 311,954 | 371,250 | 371,250 | 266,360 |
| Expenses | (105,974) | (822,899) | (928,873) | (928,873) | (708,397) |
| Net Other | (46,678) | (510,945) | (557,623) | (557,623) | (442,037) |
| Total Net Proceeds/Operating | (273,967) | 2,331,421 | 2,057,454 | 1,906,152 | 3,540,965 |
| Capital Expenditures | (929,310) | (2,998,349) | (3,927,659) | (3,885,000) | (2,359,728) |
| Results Net of Capital Expenditures | \$ (1,203,277) | \$ (666,928) | \$ (1,870,205) | \$ (1,978,848) | \$ 1,181,237 |

*Updated estimate will be based on quarterly performance and projections for balance of year. Next quarterly update to be provided with December financial report (1/5/18 Board meeting).

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2018

| | Annual | | | Year-To-Date | | |
|--|---------------------|-----------------------|----------------|---------------------|-----------------------|------------------|
| | FY 2017 | FY 2018 | Percentage | FY 2017 | FY 2018 | Percentage |
| | Final | Budget | | 7/1 - 9/30 | 7/1 - 9/30 | |
| Van Andel Arena | | | | | | |
| Operating - Revenues | \$ 7,215,161 | \$ 5,862,420 | (18.7) | \$1,653,419 | \$ 1,002,873 | (39.3) |
| - Expenses - Facilities | (4,384,253) | (4,417,724) | (0.8) | (1,081,975) | (1,074,661) | 0.7 |
| - Base Management Fees | (173,661) | (177,134) | (2.0) | (43,415) | (58,813) | (35.5) |
| - Incentive Fee | (178,902) | (101,780) | 43.1 | - | - | - |
| Net Operating Income (Loss) | 2,478,345 | 1,165,782 | (53.0) | 528,029 | (130,601) | (124.7) |
| Parking | 314,180 | 384,987 | 22.5 | 31,768 | 85,875 | 170.3 |
| Pedestrian Safety | (106,657) | (108,000) | (1.3) | (10,310) | (3,354) | (67.5) |
| Net Proceeds (Cost) of VAA | 2,685,868 | 1,442,769 | (53.7) | 549,487 | (48,080) | (108.7) |
| DeVos Place Convention Center | | | | | | |
| Operating - Revenues | 6,491,239 | 6,337,310 | (2.4) | 880,674 | 1,207,405 | 37.1 |
| - Expenses - Facilities | (6,016,985) | (5,979,448) | 0.6 | (1,377,339) | (1,582,536) | (14.9) |
| - Base Management Fees | (173,661) | (177,134) | (2.0) | (43,415) | (44,110) | (1.6) |
| - Incentive Fee | (168,420) | (252,488) | (49.9) | - | - | - |
| Net Operating Income (Loss) | 132,173 | (71,760) | (154.3) | (540,080) | (419,241) | 22.4 |
| Parking | 1,221,140 | 1,143,766 | (6.3) | 117,853 | 243,131 | 106.3 |
| Pedestrian Safety | (56,179) | (51,000) | 9.2 | (1,942) | (3,099) | (59.6) |
| Net Proceeds (Cost) of DVP | 1,297,134 | 1,021,006 | (21.3) | (424,169) | (179,209) | 57.9 |
| Other | | | | | | |
| Revenues | 266,360 | 371,250 | 39.4 | 43,605 | 59,296 | 36.0 |
| Expenses | (708,397) | (928,873) | (31.1) | (176,726) | (105,974) | 40.0 |
| Net Other | (442,037) | (557,623) | (26.1) | (133,121) | (46,678) | 65.0 |
| Total Net Proceeds/Operating | 3,540,965 | 1,906,152 | (46.2) | (7,803) | (273,967) | (3,511.0) |
| Capital/Repair Expenditures | (2,359,728) | (3,885,000) | (64.6) | (699,382) | (929,310) | (32.9) |
| Results Net of Capital Expenditures | \$ 1,181,237 | \$ (1,978,848) | (267.5) | \$ (707,185) | \$ (1,203,277) | (70.2) |

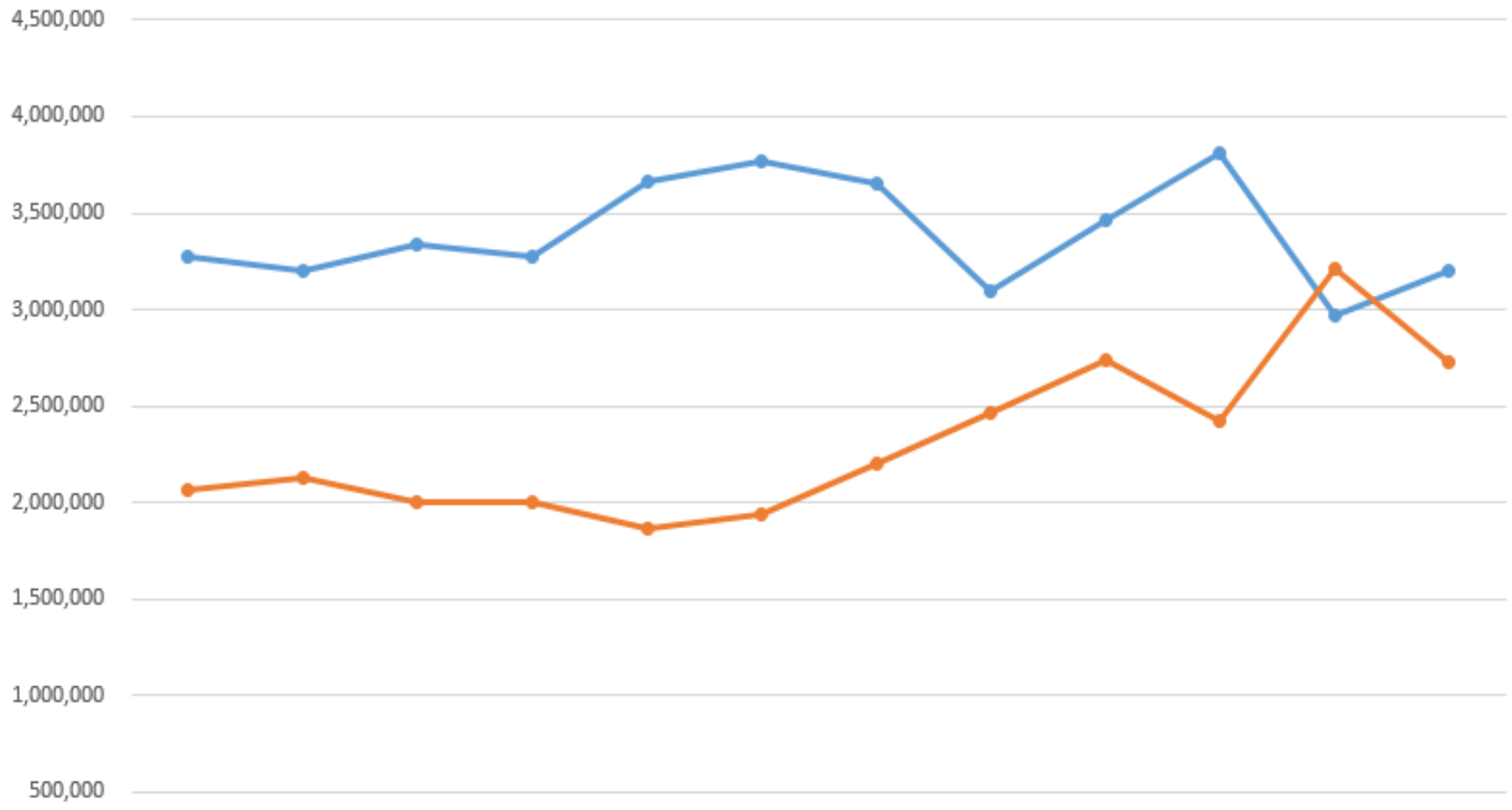
CAA Trends
Monthly Net Proceeds through September 30, 2017



| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|-------------|-------|-------|-------|-------|-----|-------|-------|-------|-------|-------|-------|-------|
| FY17 Actual | (140) | 370 | (30) | 450 | 530 | 1,070 | 1,190 | 1,740 | 2,620 | 2,915 | 3,585 | 3,465 |
| FY18 Budget | (166) | (384) | (341) | (319) | 311 | 378 | 778 | 1,181 | 1,870 | 2,079 | 2,260 | 1,906 |
| FY18 Actual | 213 | (121) | (274) | | | | | | | | | |

Accumulative Net Proceeds by Month

Rolling 12 Month Comparison



| | October | November | December | January | February | March | April | May | June | July | August | September |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Current | 3,278,535 | 3,195,881 | 3,340,349 | 3,276,483 | 3,663,262 | 3,767,746 | 3,657,572 | 3,094,387 | 3,465,963 | 3,814,753 | 2,970,965 | 3,199,799 |
| Prior | 2,066,642 | 2,126,094 | 2,002,324 | 2,005,720 | 1,867,918 | 1,939,561 | 2,197,887 | 2,467,944 | 2,738,001 | 2,417,485 | 3,205,759 | 2,726,357 |

Significant Notes

Van Andel Arena®

- Page 1 - Four concerts generated \$353,341 in event revenue, a decrease of (60.8%) from prior year (8 concerts) of \$902,152.
- Page 3 - Net proceeds of (\$48,080) decreased by (108.7%) from prior year of \$549,487.

DeVos Place®

- Page 1 - Convention/trade show business generated \$681,542 in event revenue, an increase of +59.4% from prior year (attendance increased from 28,810 to 41,241) of \$427,649.
- Page 3 - Net "proceeds" of (\$179,209) increased by +57.8% from prior year "proceeds" of (\$424,169).

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
September 30, 2017

| | Annual | | | Actual | | |
|--------------------------|---------------------|------------------------|-------------------|---------------------|--------------------|-------------------|
| | FY 2017 | FY 2018 | Percentage | FY 2017 | FY 2018 | Percentage |
| | Final | Budget | Change | 7/1-9/30 | 7/1-9/30 | Change |
| Other | | | | | | |
| Revenues | | | | | | |
| Interest/Capital Contr. | \$ 176,908 | \$ 286,250 | 61.8 | \$ 37,349 | \$ 55,640 | 49.0 |
| Miscellaneous | 89,452 | 85,000 | (5.0) | 6,256 | 3,656 | (41.6) |
| | <u>266,360</u> | <u>371,250</u> | 39.4 | <u>43,605</u> | <u>59,296</u> | 36.0 |
| Expenses | | | | | | |
| Marketing (CVB/Sports) | 125,000 | 200,000 | 60.0 | 50,000 | - | (100.0) |
| Diversity Initiative | 68,077 | 150,000 | 120.3 | 7,879 | 11,580 | 47.0 |
| Wages/Benefits | 129,780 | 131,468 | 1.3 | 21,342 | 23,715 | 11.1 |
| Professional Services | 61,715 | 65,500 | 6.1 | 27,117 | 1,747 | (93.6) |
| DID Assessment | 38,405 | 55,422 | 44.3 | 38,405 | 40,254 | 4.8 |
| Food & Beverage Repairs | - | 40,000 | 100.0+ | - | - | - |
| Consulting Services | 117,709 | 150,000 ⁽¹⁾ | 27.4 | 5,056 | 8,143 | 61.1 |
| Landscaping | 14,001 | 25,000 | 78.6 | - | 4,275 | +100.0 |
| Procurement of Art | 28,941 | 30,000 | 3.7 | 1,542 | 6,056 | 292.7 |
| Insurance | 17,238 | 21,483 | 24.6 | 22,496 | 7,819 | (65.2) |
| Supplies/Other | 107,531 | 60,000 | (44.2) | 2,889 | 2,385 | (17.4) |
| | <u>708,397</u> | <u>928,873</u> | 31.1 | <u>176,726</u> | <u>105,974</u> | (40.0) |
| Net Proceeds - Operating | <u>\$ (442,037)</u> | <u>\$ (557,623)</u> | <u>(26.1)</u> | <u>\$ (133,121)</u> | <u>\$ (46,678)</u> | <u>64.9</u> |

Notes:

⁽¹⁾ Includes SMG \$33,355 and \$116,645 for hotel study.



VAN ANDEL ARENA

FINANCIAL STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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



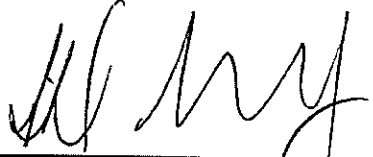
An SMG Managed Facility


VAN ANDEL ARENA
 ROLLING FORECAST
 FISCAL YEAR ENDING JUNE 30, 2018

| | YTD | ROLL | TOTAL FYE | BUDGET FYE | VARIANCE |
|---|------------------|------------------|------------------|------------------|-----------------|
| NO. EVENTS | 12 | 89 | 101 | 100 | 1 |
| ATTENDANCE | 48,734 | 543,600 | 592,334 | 612,100 | (19,766) |
| DIRECT EVENT INCOME | 139,333 | 1,344,383 | 1,483,716 | 1,517,650 | (33,934) |
| ANCILLARY INCOME | 183,103 | 1,287,320 | 1,470,423 | 1,397,670 | 72,753 |
| OTHER EVENT INCOME | 129,784 | 562,813 | 692,597 | 679,500 | 13,097 |
| TOTAL EVENT INCOME | 452,220 | 3,194,516 | 3,646,736 | 3,594,820 | 51,916 |
| TOTAL OTHER INCOME | 550,653 | 1,685,689 | 2,236,342 | 2,267,600 | (31,258) |
| TOTAL INCOME | 1,002,873 | 4,880,205 | 5,883,078 | 5,862,420 | 20,658 |
| INDIRECT EXPENSES | | | | | |
| EXECUTIVE | 50,468 | 166,244 | 216,712 | 216,712 | - |
| FINANCE | 68,238 | 188,338 | 256,576 | 256,576 | - |
| MARKETING | 77,662 | 183,244 | 260,906 | 260,906 | - |
| OPERATIONS | 520,842 | 1,526,557 | 2,047,399 | 2,047,399 | - |
| BOX OFFICE | 39,080 | 129,066 | 168,146 | 168,146 | - |
| LUXURY SEATING | 1,381 | 82,668 | 84,049 | 84,049 | - |
| SKYWALK ADMIN | 9,670 | 48,230 | 57,900 | 57,900 | - |
| OVERHEAD | 366,133 | 1,137,037 | 1,503,170 | 1,503,170 | - |
| TOTAL INDIRECT EXP. | 1,133,474 | 3,461,384 | 4,594,858 | 4,594,858 | - |
| NET REVENUE ABOVE EXPENSES | (130,601) | 1,418,821 | 1,288,220 | 1,267,562 | 20,658 |
| LESS INCENTIVE FEE | | 97,631 | 97,631 | 101,780 | 4,149 |
| NET REVENUE ABOVE EXPENSES AFTER INCENTIVE | (130,601) | 1,321,190 | 1,190,589 | 1,165,782 | 24,807 |

Comments:

The Arena concludes the first quarter of the fiscal year performing very consistent with budget overall. The roll for the balance of the fiscal year calls for that trend to continue and finish the fiscal year overall consistent with budget. Overall event count looks to exceed budget, however, per concert average revenue is forecasted to fall short of budget due to the overall mix of shows.


 General Manager


 Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2018**

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

| MONTH | September Actual | September Budget | September FY 2017 |
|------------------------|---------------------|---------------------|----------------------|
| Number of Events | 5 | 2 | 3 |
| Attendance | 22,862 | 16,000 | 15,733 |
| Direct Event Income | \$27,372 | \$80,000 | \$91,779 |
| Ancillary Income | 98,257 | 43,580 | 55,879 |
| Other Event Income | 67,166 | 48,000 | 54,427 |
| Other Operating Income | 192,796 | 188,521 | 170,197 |
| Indirect Expenses | (420,828) | (382,906) | (372,545) |
| Net Income | (\$35,237) | (\$22,805) | (\$263) |

| YTD | YTD 2017 Actual | YTD 2017 Budget | YTD 2017 Prior Year |
|------------------------|--------------------|--------------------|------------------------|
| Number of Events | 12 | 13 | 11 |
| Attendance | 48,734 | 51,500 | 73,744 |
| Direct Event Income | \$139,333 | \$268,500 | \$441,244 |
| Ancillary Income | 183,103 | 111,930 | 293,529 |
| Other Event Income | 129,784 | 10,500 | 250,318 |
| Other Operating Income | 550,653 | 543,562 | 668,328 |
| Indirect Expenses | (1,133,474) | (1,148,718) | (1,125,390) |
| Net Income | (\$130,601) | (\$214,226) | \$528,029 |

EVENT INCOME

Direct event income came in a little short of budget overall with the Bob Seger and Kid Rock shows being offset by lower than expected revenue related to the Drone Racing event.

ANCILLARY INCOME

Ancillary income came in well ahead of budget overall as per cap spending on the concerts hosted were very strong.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, is running consistent year to date with both budget and prior year.

**Van Andel Arena
Income Statement
For the Three Months Ending September 30, 2017**

| | 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 | \$53,023 | \$82,000 | (\$28,977) | \$70,418 | \$179,483 | \$262,500 | (\$83,017) | \$447,846 |
| Service Revenue | 181,782 | 144,000 | 37,782 | 179,762 | 505,097 | 448,000 | 57,097 | 719,931 |
| Service Expenses | (207,433) | (146,000) | (61,433) | (158,401) | (545,247) | (442,000) | (103,247) | (726,533) |
| Total Direct Event Income | 27,372 | 80,000 | (52,628) | 91,779 | 139,333 | 268,500 | (129,167) | 441,244 |
| Ancillary Income | | | | | | | | |
| F&B Concession | 75,375 | 33,920 | 41,455 | 40,559 | 136,401 | 92,220 | 44,181 | 218,237 |
| F&B Catering | 11,970 | 3,900 | 8,070 | 5,026 | 17,110 | 8,190 | 8,920 | 25,694 |
| Novelty Sales | 10,912 | 5,760 | 5,152 | 10,294 | 20,419 | 11,520 | 8,899 | 49,380 |
| Booth Cleaning | 0 | 0 | 0 | 0 | 1,938 | 0 | 1,938 | 0 |
| Audio Visual | 0 | 0 | 0 | 0 | 7,235 | 0 | 7,235 | 218 |
| Total Ancillary Income | 98,257 | 43,580 | 54,677 | 55,879 | 183,103 | 111,930 | 71,173 | 293,529 |
| Other Event Income | | | | | | | | |
| Ticket Rebates(Per Event) | 67,166 | 48,000 | 19,166 | 54,427 | 129,784 | 100,500 | 29,284 | 250,318 |
| Total Other Event Income | 67,166 | 48,000 | 19,166 | 54,427 | 129,784 | 100,500 | 29,284 | 250,318 |
| Total Event Income | 192,795 | 171,580 | 21,215 | 202,085 | 452,220 | 480,930 | (28,710) | 985,091 |
| Other Operating Income | | | | | | | | |
| Luxury Box Agreements | 143,060 | 132,438 | 10,622 | 117,556 | 386,146 | 375,313 | 10,833 | 502,415 |
| Advertising | 46,106 | 52,083 | (5,977) | 48,283 | 148,891 | 156,249 | (7,358) | 153,245 |
| Other Income | 3,630 | 4,000 | (370) | 4,358 | 15,616 | 12,000 | 3,616 | 12,668 |
| Total Other Operating Income | 192,796 | 188,521 | 4,275 | 170,197 | 550,653 | 543,562 | 7,091 | 668,328 |
| Adjusted Gross Income | 385,591 | 360,101 | 25,490 | 372,282 | 1,002,873 | 1,024,492 | (21,619) | 1,653,419 |
| Operating Expenses | | | | | | | | |
| Salaries and Wages | 229,291 | 209,099 | 20,192 | 224,854 | 566,634 | 627,297 | (60,663) | 638,674 |
| Payroll Taxes and Benefits | 49,727 | 63,430 | (13,703) | 47,475 | 138,402 | 190,290 | (51,888) | 165,809 |
| Labor Allocations to Events | (86,266) | (107,925) | 21,659 | (100,474) | (229,690) | (323,775) | 94,085 | (347,824) |
| Net Salaries and Benefits | 192,752 | 164,604 | 28,148 | 171,855 | 475,346 | 493,812 | (18,466) | 456,659 |
| Contracted Services | 27,349 | 21,150 | 6,199 | 14,315 | 75,177 | 63,450 | 11,727 | 57,251 |
| General and Administrative Operations | 54,169 | 25,823 | 28,346 | 38,257 | 129,240 | 77,469 | 51,771 | 135,713 |
| Repair and Maintenance | 1,333 | 8,065 | (6,732) | 1,354 | 14,365 | 24,195 | (9,830) | 4,644 |
| Operational Supplies | 27,598 | 30,258 | (2,660) | 29,304 | 95,550 | 90,774 | 4,776 | 86,837 |
| Insurance | 4,580 | 20,792 | (16,212) | 16,326 | 32,705 | 62,376 | (29,671) | 47,813 |
| Utilities | 8,467 | 14,736 | (6,269) | 7,678 | 18,019 | 44,208 | (26,189) | 27,098 |
| SMG Management Fees | 77,173 | 82,717 | (5,544) | 78,698 | 234,259 | 248,151 | (13,892) | 265,960 |
| | 29,407 | 14,761 | 14,646 | 14,758 | 58,813 | 44,283 | 14,530 | 43,415 |
| Total Operating Expenses | 422,828 | 382,906 | 39,922 | 372,545 | 1,133,474 | 1,148,718 | (15,244) | 1,125,390 |
| Net Income(Loss) From Operations | (37,237) | (22,805) | (14,432) | (263) | (130,601) | (124,226) | (6,375) | 528,029 |
| Other Non-Operating Expenses | | | | | | | | |
| Adjusted Net Income(Loss) | (37,237) | (22,805) | (14,432) | (263) | (130,601) | (124,226) | (6,375) | 528,029 |

3

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Three Months Ended September 30, 2017

| Event Type | Events/Days | | Attendance | | Total Event Income | |
|--------------------------|-------------|-----------|---------------|---------------|--------------------|----------------|
| | Actual | Budget | Actual | Budget | Actual | Budget |
| Family Show | | | | | | |
| Sporting Event | | | | | | |
| Concert | 4 | 4 | 33,941 | 32,000 | 353,341 | 343,160 |
| Team Home Games | | | | | | |
| Other | 8 | 9 | 14,793 | 19,500 | 98,880 | 137,770 |
| GRAND TOTALS | 12 | 13 | 48,734 | 51,500 | 452,220 | 480,930 |
| As Percentage of Overall | | | | | | |
| Family Show | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sporting Event | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Concert | 33.33% | 30.77% | 69.65% | 62.14% | 78.13% | 71.35% |
| Team Home Games | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other | 66.67% | 69.23% | 30.35% | 37.86% | 21.87% | 28.65% |

Van Andel Arena
Balance Sheet
As of September 30, 2017

ASSETS

Current Assets

| | |
|--------------------|-----------|
| Cash | 4,159,082 |
| Account Receivable | 262,103 |
| Prepaid Expenses | 66,996 |

| | |
|-----------------------------|-------------|
| Total Current Assets | \$4,488,181 |
|-----------------------------|-------------|

Total Assets

\$4,488,181

LIABILITIES AND EQUITY

Current Liabilities

| | |
|----------------------------------|-----------|
| Accounts Payable | 191,143 |
| Accrued Expenses | 79,373 |
| Deferred Income | 1,910,612 |
| Advanced Ticket Sales & Deposits | 4,495,064 |

| | |
|----------------------------------|-------------|
| Total Current Liabilities | \$6,676,192 |
|----------------------------------|-------------|

Other Liabilities

Equity

| | |
|-----------------------------|-------------|
| Funds Remitted to CAA | (1,646,634) |
| Expenses Paid Direct by CAA | 206,298 |
| Beginning Balance Equity | (617,074) |
| Current Year Equity | (130,601) |

| | |
|---------------------|---------------|
| Total Equity | (\$2,188,011) |
|---------------------|---------------|

Total Liabilities and Equity

\$4,488,181

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of September 30, 2017

| | |
|---------------------------|-----------|
| Current - Under 30 Days | |
| Food & Beverage | 179,692 |
| Ticketing | 178,190 |
| Merchandise | - |
| Permanent Advertising | - |
| DeVos Place | (138,348) |
| Operating | 26,472 |
| | |
| Over 30 Days | 6,250 |
| | |
| Over 60 Days | 9,847 |
| | |
| Over 90 Days | |
| | |
| Total Accounts Receivable | 262,103 |

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

MANAGEMENT FEE SUMMARY

| | Arena Estimate | DeVos Place Estimate | Total Estimate | FY 2017 Actual |
|----------------------------|-------------------|-------------------------|-------------------|-------------------|
| Net Revenue above Expenses | 1,288,220 | 309,984 | 1,598,204 | 2,957,840 |
| Benchmark ++ | | | 750,000 | 750,000 |
| Excess | 1,288,220 | 309,984 | 848,204 | 2,207,840 |

Incentive Fee Calculation (Only if above greater than zero)

| | Arena Actual | DeVos Place Actual | Total Estimate | Total Actual |
|--------------------------|-----------------|-----------------------|-------------------|-----------------|
| Base Fee | 176,440 | 176,440 | 352,880 | 347,322 |
| Incentive Fee | | | | |
| Revenue | 5,883,078 | 6,466,566 | 12,349,644 | 13,706,400 |
| Benchmark Revenue | 5,150,000 | 4,550,000 | 9,700,000 | 9,600,000 |
| Revenue Excess | 733,078 | 1,916,566 | 2,649,644 | 4,106,400 |
| Incentive Fee ** | 97,631 | 255,249 | 352,880 | 347,322 |
| Total SMG Management Fee | 274,071 | 431,689 | 705,760 | 694,644 |

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

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

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

Distribution:

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




An SMG Managed Facility

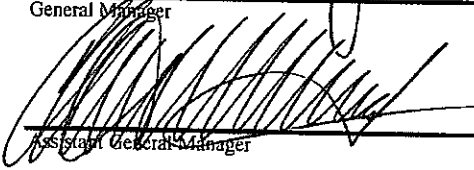
DE VOS PLACE
 ROLLING FORECAST
 FISCAL YEAR ENDING JUNE 30, 2018

| | YTD Actual | Roll | TOTAL FYE | BUDGET FYE | VARIANCE |
|--|------------------|------------------|------------------|------------------|-------------------|
| NO. EVENTS | 114 | 392 | 506 | 485 | 21 |
| ATTENDANCE | 78,180 | 512,400 | 590,580 | 579,000 | 11,580 |
| DIRECT EVENT INCOME | 542,537 | 2,722,600 | 3,265,137 | 3,195,900 | 69,237 |
| ANCILLARY INCOME | 555,586 | 1,972,400 | 2,527,986 | 2,533,410 | (5,424) |
| OTHER EVENT INCOME | 100,543 | 465,900 | 566,443 | 501,000 | 65,443 |
| TOTAL EVENT REVENUE | 1,198,666 | 5,160,900 | 6,359,566 | 6,230,310 | 129,256.00 |
| TOTAL OTHER REVENUE | 8,739 | 98,261 | 107,000 | 107,000 | - |
| TOTAL OPERATING REVENUE | 1,207,405 | 5,259,161 | 6,466,566 | 6,337,310 | 129,256 |
| INDIRECT EXPENSES | | | | | |
| EXECUTIVE | 63,252 | 149,159 | 212,411 | 212,411 | - |
| FINANCE | 77,776 | 203,105 | 280,881 | 280,881 | - |
| MARKETING | 38,126 | 137,133 | 175,259 | 175,259 | - |
| OPERATIONS | 325,321 | 1,256,433 | 1,581,754 | 1,581,754 | - |
| EVENT SERVICES | 385,216 | 789,064 | 1,174,280 | 1,174,280 | - |
| BOX OFFICE | 54,055 | 79,693 | 133,748 | 133,748 | - |
| SALES | 107,823 | 321,616 | 429,439 | 429,439 | - |
| OVERHEAD | 575,078 | 1,593,732 | 2,168,810 | 2,168,810 | - |
| TOTAL OPERATING EXP. | 1,626,646 | 4,529,935 | 6,156,582 | 6,156,582 | - |
| NET REVENUE ABOVE EXPENSES | (419,241) | 729,226 | 309,984 | 180,728 | 129,256 |
| INCENTIVE FEE | | 255,249 | 255,249 | 252,488 | (2,761) |
| NET OPERATING REVENUE OVER OPERATING EXPENSES | (419,241) | 473,977 | 54,735 | (71,760) | 126,495 |

Comments:

September concludes the first quarter of the fiscal year that has the facility running consistent with budget overall with a bit of an increase in revenue offset by higher than budgeted expenses. Forecast for the balance of the fiscal year shows the facility continuing to come in at mostly budgeted levels and the first quarter increase in expenses is expected to balance back out over the course of the year as a whole.


 General Manager


 Assistant General Manager

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2018**

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

| MONTH | September Actual | September Budget | September FY 2017 |
|------------------------|---------------------|---------------------|----------------------|
| Number of Events | 48 | 38 | 32 |
| Attendance | 30,364 | 36,000 | 18,036 |
| Direct Event Income | \$187,462 | \$225,950 | \$132,764 |
| Ancillary Income | 186,082 | 212,970 | 122,791 |
| Other Event Income | 56,821 | 37,000 | 11,634 |
| Other Operating Income | 3,555 | 2,666 | 3,189 |
| Indirect Expenses | (647,915) | (513,049) | (539,266) |
| Net Income | (\$213,995) | (\$34,463) | (\$268,888) |

| YTD | YTD 2017 Actual | YTD 2017 Budget | YTD 2017 Prior Year |
|------------------------|--------------------|--------------------|------------------------|
| Number of Events | 114 | 88 | 81 |
| Attendance | 78,180 | 78,900 | 61,350 |
| Direct Event Income | \$542,537 | \$500,450 | \$412,735 |
| Ancillary Income | 555,586 | 551,376 | 374,970 |
| Other Event Income | 100,543 | 72,000 | 83,909 |
| Other Operating Income | 8,739 | 7,998 | 9,060 |
| Indirect Expenses | (1,626,646) | (1,539,147) | (1,420,754) |
| Net Income | (\$419,241) | (\$407,323) | (\$540,080) |

EVENT INCOME

Event income fell short of budget overall as a convention originally budgeted in September ended up taking place in October. Overall events increased over budget due to a small meeting that was booked over several days.

ANCILLARY INCOME

Ancillary income fell below budget overall due to the shift in months, however, the first quarter overall revenue is trending consistent with budget.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month, however, this overage is expected to balance back out as we get further along in the fiscal year.

DeVos Place
Income Statement
For the Three Months Ending September 30, 2017

| | 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 | \$208,868 | \$242,300 | (\$33,432) | \$149,149 | \$680,148 | \$554,800 | \$125,348 | \$477,119 |
| Service Revenue | 195,094 | 207,400 | (12,306) | 112,787 | 449,717 | 467,200 | (17,483) | 383,260 |
| Service Expenses | (216,500) | (223,750) | 7,250 | (129,172) | (587,328) | (521,550) | (65,778) | (447,644) |
| Total Direct Event Income | 187,462 | 225,950 | (38,488) | 132,764 | 542,537 | 500,450 | 42,087 | 412,735 |
| Ancillary Income | | | | | | | | |
| F&B Concession | 17,156 | 11,700 | 5,456 | 8,305 | 37,798 | 25,625 | 12,173 | 28,396 |
| F&B Catering | 71,646 | 82,575 | (10,929) | 45,487 | 243,983 | 223,350 | 20,633 | 134,754 |
| Novelty Sales | 3,039 | 2,000 | 1,039 | 511 | 7,579 | 4,500 | 3,079 | 10,634 |
| Booth Cleaning | 8,409 | 23,715 | (15,306) | 7,592 | 51,615 | 61,251 | (9,636) | 41,521 |
| Telephone/Long Distance | 4,880 | 0 | 4,880 | 0 | 5,218 | 0 | 5,218 | 563 |
| Electrical Services | 21,529 | 31,350 | (9,821) | 21,317 | 70,754 | 82,950 | (12,196) | 52,462 |
| Audio Visual | 31,476 | 32,280 | (804) | 16,967 | 66,273 | 84,000 | (17,727) | 57,810 |
| Internet Services | 6,981 | 9,050 | (2,069) | 5,975 | 22,430 | 24,200 | (1,770) | 17,984 |
| Equipment Rental | 20,966 | 20,300 | 666 | 16,637 | 49,936 | 45,500 | 4,436 | 30,846 |
| Total Ancillary Income | 186,082 | 212,970 | (26,888) | 122,791 | 555,586 | 551,376 | 4,210 | 374,970 |
| Other Event Income | | | | | | | | |
| Ticket Rebates(Per Event) | 56,821 | 37,000 | 19,821 | 11,634 | 100,543 | 72,000 | 28,543 | 83,909 |
| Total Other Event Income | 56,821 | 37,000 | 19,821 | 11,634 | 100,543 | 72,000 | 28,543 | 83,909 |
| Total Event Income | 430,365 | 475,920 | (45,555) | 267,189 | 1,198,666 | 1,123,826 | 74,840 | 871,614 |
| Other Operating Income | | | | | | | | |
| Luxury Box Agreements | 1,969 | 1,333 | 636 | 1,353 | 4,402 | 3,999 | 403 | 4,058 |
| Other Income | 1,586 | 1,333 | 253 | 1,836 | 4,337 | 3,999 | 338 | 5,002 |
| Total Other Operating Income | 3,555 | 2,666 | 889 | 3,189 | 8,739 | 7,998 | 741 | 9,060 |
| Adjusted Gross Income | 433,920 | 478,586 | (44,666) | 270,378 | 1,207,405 | 1,131,824 | 75,581 | 880,674 |
| Operating Expenses | | | | | | | | |
| Salaries and Wages | 417,357 | 298,949 | 118,408 | 257,807 | 1,003,328 | 896,847 | 106,481 | 651,335 |
| Payroll Taxes and Benefits | 85,924 | 99,063 | (13,139) | 61,291 | 247,339 | 297,189 | (49,850) | 199,742 |
| Labor Allocations to Events | (242,656) | (189,839) | (52,817) | (94,183) | (598,547) | (569,517) | (29,030) | (274,642) |
| Net Salaries and Benefits | 260,625 | 208,173 | 52,452 | 224,915 | 652,120 | 624,519 | 27,601 | 576,435 |
| Contracted Services | 33,731 | 23,692 | 10,039 | 37,943 | 96,804 | 71,076 | 25,728 | 102,716 |
| General and Administrative | 52,110 | 33,156 | 18,954 | 29,746 | 114,073 | 99,468 | 14,605 | 76,040 |
| Operations | 57,353 | 11,571 | 45,782 | 26,682 | 72,380 | 34,713 | 37,667 | 34,069 |
| Repair and Maintenance | 56,679 | 48,100 | 8,579 | 44,763 | 138,929 | 144,300 | (5,371) | 88,010 |
| Operational Supplies | 29,924 | 24,225 | 5,699 | 13,367 | 67,938 | 72,675 | (4,737) | 47,235 |
| Insurance | 15,343 | 20,804 | (5,461) | 12,565 | 43,087 | 62,412 | (19,325) | 39,397 |
| Utilities | 127,447 | 128,567 | (1,120) | 134,527 | 397,205 | 385,701 | 11,504 | 413,437 |
| SMG Management Fees | 14,703 | 14,761 | (58) | 14,758 | 44,110 | 44,283 | (173) | 43,415 |
| Total Operating Expenses | 647,915 | 513,049 | 134,866 | 539,266 | 1,626,646 | 1,539,147 | 87,499 | 1,420,754 |
| Net Income(Loss) From Operati | (213,995) | (34,463) | (179,532) | (268,888) | (419,241) | (407,323) | (11,918) | (540,080) |
| Other Non-Operating Expenses | | | | | | | | |
| Adjusted Net Income(Loss) | (213,995) | (34,463) | (179,532) | (268,888) | (419,241) | (407,323) | (11,918) | (540,080) |

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Three Months Ended September 30, 2017

| Event Type | Events/Days | | Attendance | | Total Event Income | |
|------------------------|-------------|-----------|---------------|---------------|--------------------|------------------|
| | Actual | Budget | Actual | Budget | Actual | Budget |
| Convention/Trade Shows | 54 | 30 | 41,241 | 30,000 | 681,542 | 571,500 |
| Consumer/Gated Shows | 3 | | 2,858 | | 22,755 | |
| DeVos Performance Hall | 21 | 18 | 24,352 | 23,400 | 266,961 | 233,100 |
| Banquets | 4 | 9 | 1,310 | 7,200 | 37,847 | 98,415 |
| Meetings | 22 | 21 | 3,944 | 6,300 | 174,050 | 147,651 |
| Other | 10 | 10 | 4,475 | 12,000 | 15,510 | 73,160 |
| GRAND TOTALS | 114 | 88 | 78,180 | 78,900 | 1,198,664 | 1,123,826 |

As Percentage of Overall

| | | | | | | |
|------------------------|--------|--------|--------|--------|--------|--------|
| Convention/Trade Shows | 47.37% | 34.09% | 52.75% | 38.02% | 56.86% | 50.85% |
| Consumer/Gated Shows | 2.63% | 0.00% | 3.66% | 0.00% | 1.90% | 0.00% |
| Devos Performance Hall | 18.42% | 20.45% | 31.15% | 29.66% | 22.27% | 20.74% |
| Ballroom Exclusive | 3.51% | 10.23% | 1.68% | 9.13% | 3.16% | 8.76% |
| Meetings | 19.30% | 23.86% | 5.04% | 7.98% | 14.52% | 13.14% |
| Other | 8.77% | 11.36% | 5.72% | 15.21% | 1.29% | 6.51% |

4

**DeVos Place
Balance Sheet
As of September 30, 2017**

ASSETS

Current Assets

| | |
|--------------------|-----------|
| Cash | 4,450,185 |
| Account Receivable | 917,060 |
| Prepaid Expenses | 295,653 |

Total Current Assets -----
\$5,662,898

Total Assets -----
\$5,662,898
=====

LIABILITIES AND EQUITY

Current Liabilities

| | |
|----------------------------------|-----------|
| Accounts Payable | 268,128 |
| Accrued Expenses | 432,996 |
| Deferred Income | 262,880 |
| Advanced Ticket Sales & Deposits | 4,316,248 |

Total Current Liabilities -----
\$5,280,251

Other Liabilities

Equity

| | |
|-----------------------------|-----------|
| Funds Remitted to CAA | (640,294) |
| Expenses Paid Direct by CAA | 354,167 |
| Beginning Balance Equity | 1,088,015 |
| Current Year Equity | (419,241) |

Total Equity -----
\$382,647

Total Liabilities and Equity -----
\$5,662,898
=====



SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of September 30, 2017

| | |
|---------------------------|---------|
| Current - Under 30 Days | |
| Food & Beverage | 90,150 |
| Ticketing | 22,777 |
| Merchandise | - |
| Decorating | 8,408 |
| Audio/Visual | 31,475 |
| Van Andel Arena | 138,222 |
| Operating | 441,130 |
| | |
| Over 30 Days | 113,008 |
| | |
| Over 60 Days | 71,890 |
| | |
| Over 90 Days | |
| | |
| Total Accounts Receivable | 917,060 |

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

MANAGEMENT FEE SUMMARY

| | Arena Estimate | DeVos Place Estimate | Total Estimate | FY 2017 Actual |
|----------------------------|-------------------|-------------------------|-------------------|-------------------|
| Net Revenue above Expenses | 1,288,220 | 309,984 | 1,598,204 | 2,957,840 |
| Benchmark ++ | | | 750,000 | 750,000 |
| Excess | 1,288,220 | 309,984 | 848,204 | 2,207,840 |

Incentive Fee Calculation (Only if above greater than zero)

| | Arena Actual | DeVos Place Actual | Total Estimate | Total Actual |
|--------------------------|-----------------|-----------------------|-------------------|-----------------|
| Base Fee | 176,440 | 176,440 | 352,880 | 347,322 |
| Incentive Fee | | | | |
| Revenue | 5,883,078 | 6,466,566 | 12,349,644 | 13,706,400 |
| Benchmark Revenue | 5,150,000 | 4,550,000 | 9,700,000 | 9,600,000 |
| Revenue Excess | 733,078 | 1,916,566 | 2,649,644 | 4,106,400 |
| Incentive Fee ** | 97,631 | 255,249 | 352,880 | 347,322 |
| Total SMG Management Fee | 274,071 | 431,689 | 705,760 | 694,644 |

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

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

Grand Rapids-Kent County Convention/Arena Authority
 Van Andel Arena/DeVos Place
 Capital Budget 2018

jhorton

10/20/2017

ROLLING FORCAST AS OF SEPTEMBER 30, 2017

| Item # | Project | Budget | Actual 1st Quarter | Estimated 2nd Quarter | Estimated 3rd quarter | Estimated 4th quarter | Estimated Total 2018 | (Over)Under Budget |
|------------------------|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------------|-------------------------|-----------------------|
| CARRYOVER | | | | | | | | |
| | | | | | | | \$ - | \$ - |
| | | | | | | | \$ - | \$ - |
| VAN ANDEL ARENA | | | | | | | | |
| 6200.01 | Arc Flash Hazard Analysis | \$ 75,000.00 | | | \$ 75,000.00 | | \$ 75,000.00 | \$ - |
| 6200.02 | Compressor Rebuilds (4) | \$ 140,000.00 | \$ 113,325.59 | | | | \$ 113,325.59 | \$ 26,674.41 |
| 6200.03 | Folding Chairs (replace 300 chairs) | \$ 60,000.00 | \$ 48,264.00 | | | | \$ 48,264.00 | \$ 11,736.00 |
| 6200.04 | Elevator Modernization Program | \$ 250,000.00 | \$ 45,085.00 | \$ 100,000.00 | \$ 100,000.00 | | \$ 245,085.00 | \$ 4,915.00 |
| 6200.05 | Locker Room Refurbish Study | \$ 40,000.00 | | | | \$ 40,000.00 | \$ 40,000.00 | \$ - |
| 6200.06 | Concession Equipment | \$ 40,000.00 | \$ 35,008.86 | | | | \$ 35,008.86 | \$ 4,991.14 |
| 6200.07 | Ice Making Machines | \$ 70,000.00 | \$ 60,089.41 | | | | \$ 60,089.41 | \$ 9,910.59 |
| 6200.08 | Basketball Floor Demo | \$ 100,000.00 | | \$ 107,261.00 | | | \$ 107,261.00 | \$ (7,261.00) |
| 6200.09 | Dashers | \$ 230,000.00 | \$ 380,293.80 | | | | \$ 380,293.80 | \$ (150,293.80) |
| DE VOS PLACE | | | | | | | | |
| 6200.1 | Phase 3 Security System Camera Upgrades | \$ 125,000.00 | | \$ 100,000.00 | \$ 25,000.00 | | \$ 125,000.00 | \$ - |
| 6200.11 | Removal/Replace Flooring in DVPH Locker Room/ | \$ 150,000.00 | | \$ 100,000.00 | \$ 50,000.00 | | \$ 150,000.00 | \$ - |
| 6200.12 | Recycling Containers | \$ 125,000.00 | | \$ 125,000.00 | | | \$ 125,000.00 | \$ - |
| 6200.13 | DVPH Hearing Loop Upgrades | \$ 35,000.00 | \$ 12,792.00 | \$ 12,792.00 | | | \$ 25,584.00 | \$ 9,416.00 |
| 6200.14 | Landscaping Trees | \$ 130,000.00 | | \$ 100,000.00 | \$ 30,000.00 | | \$ 130,000.00 | \$ - |
| 6200.15 | Arc Flash Hazard Analysis | \$ 125,000.00 | | | \$ 125,000.00 | | \$ 125,000.00 | \$ - |
| 6200.16 | Phase 1 of VFD Drive Replacements | \$ 125,000.00 | | \$ 62,500.00 | \$ 62,500.00 | | \$ 125,000.00 | \$ - |
| 6200.17 | DVPH VIP Area | \$ 450,000.00 | | | \$ 200,000.00 | \$ 250,000.00 | \$ 450,000.00 | \$ - |
| 6200.18 | New Meters for Subs | \$ 50,000.00 | | \$ 50,000.00 | | | \$ 50,000.00 | \$ - |
| 6200.19 | New Michigan Street Dock Door | \$ 1,000,000.00 | | | \$ 500,000.00 | \$ 500,000.00 | \$ 1,000,000.00 | \$ - |
| 6200.2 | Replace Radios | \$ 75,000.00 | \$ 1,145.00 | \$ 55,481.70 | | | \$ 56,626.70 | \$ 18,373.30 |
| 6200.21 | Door Redesign for GG | \$ 50,000.00 | | \$ 50,000.00 | | | \$ 50,000.00 | \$ - |
| 6200.22 | Welsh Lobby Exterior | \$ 125,000.00 | | \$ 100,000.00 | | | \$ 100,000.00 | \$ 25,000.00 |
| 6200.23 | DVPH Stage Lighting | \$ 165,000.00 | \$ 56,928.43 | \$ 112,412.86 | | | \$ 169,341.29 | \$ (4,341.29) |
| 6200.24 | Secchia Lobby Window Treatments | \$ 150,000.00 | \$ 70,890.00 | \$ 70,890.00 | | | \$ 141,780.00 | \$ 8,220.00 |
| TOTALS | | \$ 3,885,000.00 | \$ 823,822.09 | \$ 1,146,337.56 | \$ 1,167,500.00 | \$ 790,000.00 | \$ 3,927,659.65 | \$ (42,659.65) |



Memorandum

To: Richard A. Winn
Finance Committee Chairperson

From: Robert White

Subject: Auto Parking System Periodic Reporting

Date: October 27, 2017

The recently (6/9) 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 first quarterly periodic report includes the following information:

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

The City currently holds 130 monthly passes.
The County currently holds 152 monthly passes.

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

The City requested 6 additional passes between 7/1/17 and 9/30/17.
The County reduced the number of passes out by 14 between 7/1/17 and 9/30/17.

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 \$60.77.
The City currently holds 130 passes with a total annualized discount of \$145,439.
The County currently holds 152 passes with a total annualized discount of \$170,052.

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 (6/30/17) | Total Spaces End of Q1 | Space Count Change | Current Market Rate Price Difference EOQ * |
|--------------------------|--|------------------------|--------------------|--|
| 17th Circuit Court | 24 | 24 | 0 | \$2,237.52 |
| KC Facilities Management | 142 | 128 | -14 | \$11,933.44 |
| City of GR | 124 | 130 | 6 | \$12,119.90 |
| Total | 290 | 282 | -8 | \$26,290.86 |

* Current Market Rate is \$154 monthly. City/County Contractual Rate is \$60.77 monthly