

Agenda

Board of Directors

Friday, November 4, 2022

9:00 a.m.

Kent County Administration Building

300 Monroe, NW • Grand Rapids, MI 49503

- | | | |
|----|---|----------------|
| 1. | Call to Order | Richard Winn |
| 2. | Grand Rapids Comic-Con Presentation | Mark Hodges |
| 3. | Minutes of October 7, 2022 | Action |
| 4. | Committee Reports | |
| | A. Operations Committee | |
| | i. Experience Grand Rapids Report | Information |
| | B. Finance Committee | |
| | i. Consolidated Financial Statement for Period Ending September 30, 2022 | Action |
| | ii. ASM Global Financial Statements for Period Ending September 30, 2022 - DeVos Place® and Van Andel Arena® | Information |
| | iii. Auto Parking System Periodic Reporting | Information |
| 5. | Resolution Approving and Authorizing the Execution of Addendum I to Operating Agreement Between the County of Kent and the City of Grand Rapids | Action |
| 6. | Calendar Update from ASM Global | Rich MacKeigan |
| 7. | Public Comment | |
| 8. | Board Member Comments | |
| 9. | Adjournment | |

Please note that the start time is approximate. The CAA Finance Committee meeting starts at 8:00 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
FRIDAY, OCTOBER 7, 2022**

Attendance:

Members Present: Rosalynn Bliss
M. Scott Bowen
Lew Chamberlin
Mike Verhulst

Members Absent: Mandy Bolter
Birgit Klohs
Richard Winn

Staff/Others:	Andrea Anderson	City of Grand Rapids
	Omar Cuevas	Grand Rapids Chamber/CIG Co-Chair
	Eric DeLong	City of Grand Rapids
	Scott Gorsline	DP Fox
	Mark Hodges	Grand Rapids ComicCon
	Steve Jbara	Grand Rapids Gold
	Hayden Johnson	ASM Global
	Andy Kursch	ASM Global
	Chris Machuta	ASM Global
	Rich MacKeigan	ASM Global
	Mary Manier	Experience Grand Rapids
	Jackie Morse	ASM Global
	Jay Preston	Ernst & Young
	Eddie Tadlock	ASM Global
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	John Weiss	Dickinson Wright
	Jessica Wood	Dickinson Wright

1. Call to Order

Board Member Lew Chamberlin, in the absence of Chair Richard Winn, called the meeting to order at 9:17 a.m. Staff recorded the meeting minutes.

2. Oath of Office – Michael B. Verhulst, Experience Grand Rapids Appointee

The oath of office was administered to Michael B. Verhulst, Executive Vice President of Strategic Growth for Acrisure Benefits Group. Mike stated that he was pleased to be involved with the CAA and contribute to the continued success of the venues.

3. Minutes of August 5, 2022, Meeting

Motion by Mr. Bowen, support by Ms. Bliss, to approve the August 5, 2022, Board Minutes. Motion carried.

4. Committee Reports

A. Operations Committee

Mr. Chamberlin stated there was nothing new to report.

B. Finance Committee

i. Consolidated Financial Statement for Period Ending August 31, 2022

Mr. Chris Machuta summarized the financial dashboard and stated that the facilities were trending ahead of budget and trending \$1.2 million ahead of the prior fiscal year. August was a bit slower than anticipated at both venues; however, the AEW and Pitbull shows that were hosted at the Arena sold very well. The first quarter roll will be presented next month. Mr. Machuta referred to a memo from Mr. Rich MacKeigan requesting an amendment to the FY 2023 capital budget. The original approved capital request included a DeVos Place® project to replace the roof north of the skylight. Due to anticipated supply issues, this project was initially thought to take place over 3 years, for a total project cost of \$3,750,000. Due to changes in other construction projects, the material necessary for the replacement was able to be obtained in full during FY 2023. As a result, the project can be done for a total cost of \$1,472,000. With this change, Mr. MacKeigan requested a budget amendment to the FY 2023 capital request in the amount of \$1,097,000 (in addition to the \$375,000 already approved). Overall, this will result in a savings to the CAA of almost \$2.4 million from the originally anticipated cost of the project. Four additional projects that had been previously approved were delayed due to supply issues. A carryover of \$628,900 is requested to the already approved FY 2023 capital budget to allow for the timing of completion for these projects. This request has no impact to the fund balance of the CAA as it is simply shifting anticipated FY 2022 expenditures into FY 2023.

Motion by Mr. Bowen, support by Ms. Bliss, to (i) accept the consolidated financial statements for the period ending August 31, 2022 (ii) amend the FY 2023 capital budget to include \$1,097,000 for the DeVos Place® roof project; and (iii) amend the FY 2023 capital budget to re-appropriate \$628,900 for previous-year projects that could not be completed due to supply issues. Motion carried.

ii. ASM Global Financial Statements for Period Ending August 31, 2022 – DeVos Place® and Van Andel Arena®

The financial statements were included as information items.

5. Calendar Update

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

6. Public Comment

None.

7. Adjournment

The meeting adjourned at 9:27 a.m.

Susan M. Waddell, Recording Secretary



Consolidated Financial Report
September 30, 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 - FY22 & FY23	5
Lagging 12 Months Net Operating Proceeds	6
Significant Notes	7
Administrative Accounts	
Year-to-Date Comparable	8

GRAND RAPIDS-KENT COUNTY

CONVENTION / ARENA AUTHORITY

Financial Dashboard
Year-To-Date (3 Months)
September 30, 2022

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	5	8	9	3	8	6
Attendance	20,397	64,000	69,258	14,699	64,000	53,603
Event Income	\$ 385,206	\$ 1,401,196	\$ 1,587,044	\$ 257,187	\$ 813,280	\$ 802,097
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	64	69	82	20	47	46
Attendance	22,866	86,510	67,318	5,830	53,160	40,530
Event Income	\$ 657,004	\$ 1,164,560	\$ 1,201,455	\$ 261,178	\$ 777,741	\$ 627,128
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 7,404,332	\$ (383,120)	\$ 185,527
Capital/Repair/Replacement				(1,380)	(268,016)	(268,016)
Net - To/(From) on Fund Balance				\$ 7,402,952	\$ (651,136)	\$ (82,489)

***NOTES:**

(1) Unrestricted Fund Balance - 6/30/22 \$27,593,825
(unaudited)

Grand Rapids-Kent County Convention/Arena Authority

Summary by Facility/Other

Fiscal Year Ending June 30, 2023

	FY 2023			
	7/1 - 9/30			
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget
Van Andel Arena				
Operating - Revenues	\$ 1,587,044	\$ 5,575,963	\$ 7,163,007	\$ 6,642,366
- Expenses - Facilities	(1,142,533)	(3,715,637)	(4,858,170)	(4,858,170)
- Base Management Fees	(45,086)	(146,235)	(191,321)	(191,321)
- Incentive Fee	-	(193,912)	(193,912)	-
Net Operating Income (Loss)	399,425	1,520,179	1,919,604	1,592,875
Parking	106,200	281,630	387,830	387,830
Pedestrian Safety	-	(65,000)	(65,000)	(65,000)
Net Proceeds (Cost) of VAA	505,625	1,736,809	2,242,434	1,915,705
DeVos Place Convention Center				
Operating - Revenues	1,201,455	5,229,686	6,431,141	6,229,122
- Expenses - Facilities	(1,548,196)	(5,538,074)	(7,086,270)	(7,086,270)
- Base Management Fees	(46,437)	(144,884)	(191,321)	(191,321)
- Incentive Fee	-	(188,730)	(188,730)	-
Net Operating Income (Loss)	(393,178)	(642,002)	(1,035,180)	(1,048,469)
Parking	278,725	976,196	1,254,921	1,254,921
Pedestrian Safety	-	(36,000)	(36,000)	(36,000)
Net Proceeds (Cost) of DVP	(114,453)	298,194	183,741	170,452
Other				
Revenues	48,818	119,182	168,000	168,000
Expenses	(254,463)	(839,677)	(1,094,140)	(1,094,140)
Net Other	(205,645)	(720,495)	(926,140)	(926,140)
Total Net Proceeds/Operating	185,527	1,314,508	1,500,035	1,160,017
Capital/Repair Expenditures	(268,016)	(5,810,985)	(6,079,000)	(6,079,000) ⁽²⁾
Results Net of Capital/Repair Expenditures	\$ (82,489)	\$ (4,496,477)	\$ (4,578,965)⁽³⁾	\$ (4,918,983)

Notes:

(1) Estimates compiled quarterly through third quarter (March 31) and monthly thereafter.

(2) Includes approved budget amendments to provide for four capital project balances (\$628,900) carried over from FY22 and one capital project pulled forward from FY24 & FY25 (\$1,097,000).

(3) Estimated Unrestricted Fund Balance will total approximately \$23,014,860 at fiscal year end.

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

FY 2023 Eligible Projects:		Budget	Actual 7/1-9/30	Roll	Appropriation Lapse
Van Andel Arena®					
	Suite Refresher	350,000		350,000	
	Ice Plant Refrigeration Change	90,000	\$ 64,775	25,225	
	Trash Compactor	50,000		50,000	
	New Condensor Coil	185,000		185,000	
	Custom Air Handler Damper Replacement	110,000		110,000	
	Total VAA	785,000	64,775	720,225	-
DeVos Place®					
	Projection Theater Upgrades	250,000		250,000	
	Performance Hall LED Lighting	50,000		50,000	
	Roof Replacement - North of Skylight	1,472,000 (2)		1,472,000	
	Performance Hall Seating	350,000		350,000	
	Theater Box Seats	50,000		50,000	
	Ballroom Lighting & Controls	2,100,000	134,028	1,965,972	
	Trash Compactor	50,000		50,000	
	Total DVP	4,322,000	134,028	4,187,972	-
Both Venues					
	Radio System Upgrade	100,000		100,000	
	Small Motor Equipment	60,000		60,000	
	Computers and Accessories	150,000		150,000	
	X-Ray Inspection Systems	33,100		33,100	
	Total Both Venues	343,100	-	343,100	-
Carryover (FY20& FY22) Projects					
DVP	New Sound System	183,788	69,213	114,576	
VAA	Cooling Tower/Condenser Coil	30,000		30,000	
VAA	Wireless Communication Devices	45,000		45,000	
VAA	Suite Refresher	370,112		370,112	
	Total Carryover	628,900 (1)	69,213	559,688	-
Total FY 2023 Capital Budget		\$ 6,079,000	\$ 268,016	\$ 5,810,985	\$ -

Note: The FY2023 budget, as adopted, included \$4,353,100 for capital repair/replacement projects

(1) The July monthly financial report included a request to re-appropriate a total of \$628,900 for previous year projects that could not be completed for supply issues

(2) The August monthly financial report includes a request to pull-forward \$1,097,000 for project work previously planned for FY24 and FY25 - see memo dated 9/30/22.

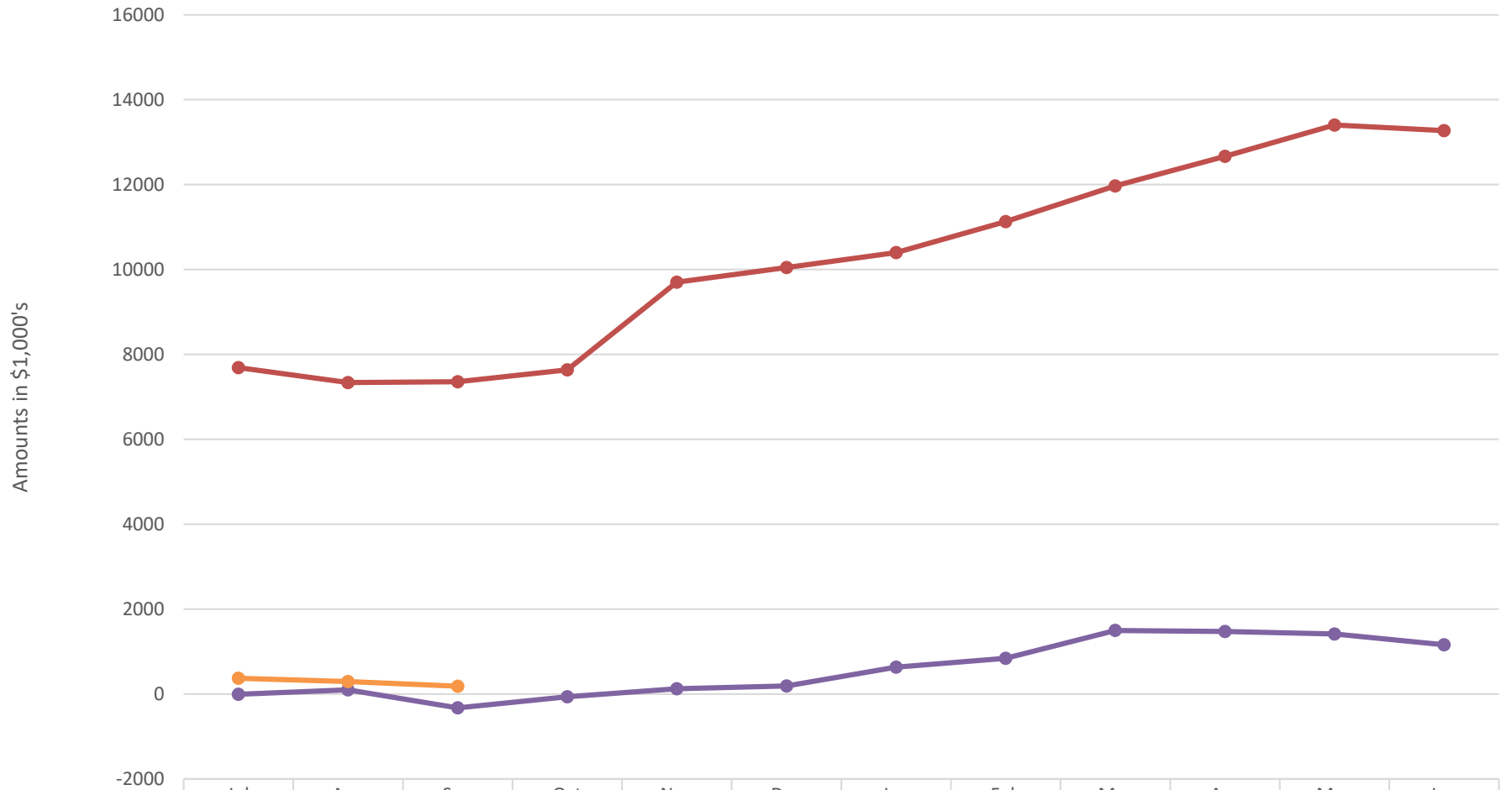
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2023

	Annual			Year-To-Date		
	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change</u>
	<u>Final (Unaudited)</u>	<u>Budget</u>	<u>Positive</u>	<u>7/1-9/30</u>	<u>7/1 - 9/30</u>	<u>Positive</u>
			<u>(Negative)</u>			<u>(Negative)</u>
Van Andel Arena						
Operating - Revenues	\$ 7,934,764	\$ 6,642,366	-16.3%	\$ 385,206	\$ 1,587,044	312.0%
- Expenses - Facilities	(4,108,004)	(4,858,170)	-18.3%	(726,484)	(1,142,533)	57.3%
- Base Management Fees	(185,746)	(191,321)	-3.0%	(45,085)	(45,086)	0.0%
- Incentive Fee	(240,472)	-	-	-	-	-
Net Operating Income (Loss)	3,400,542	1,592,875	53.2%	(386,363)	399,425	203.4%
Parking	371,385	387,830	4.4%	91,739	106,200	15.8%
Pedestrian Safety	(95,620)	(65,000)	-100.0%	(1,134)	-	-100.0%
Net Proceeds (Cost) of VAA	3,676,307	1,915,705	-91.9%	(295,758)	505,625	271.0%
DeVos Place Convention Center						
Operating - Revenues	6,202,108	6,229,122	0.4%	657,004	1,201,455	82.9%
- Expenses - Facilities	(6,644,386)	(7,086,270)	-6.7%	(1,303,844)	(1,548,196)	18.7%
- Base Management Fees	(185,749)	(191,321)	-3.0%	(45,085)	(46,437)	3.0%
- Incentive Fee	(131,025)	-	-	-	-	0.0%
Net Operating Income (Loss)	(759,052)	(1,048,469)	-38.1%	(691,925)	(393,178)	43.2%
Parking	1,071,815	1,254,921	17.1%	214,984	278,725	29.6%
Pedestrian Safety	(29,512)	(36,000)	22.0%	(1,318)	-	-100.0%
Net Proceeds (Cost) of DVP	283,251	170,452	-66.2%	(478,259)	(114,453)	76.1%
Other						
Revenues	10,155,878	168,000	-98.3%	8,271,609	48,818	-99.4%
Expenses	(742,282)	(1,094,140)	-47.4%	(93,260)	(254,463)	172.9%
Net Other	9,413,596	(926,140)	-81.0%	8,178,349	(205,645)	-102.5%
Total Net Proceeds/Operating	13,373,154	1,160,017	78.0%	7,404,332	185,527	97.5%
Capital/Repair Expenditures	(711,575)	(6,079,000)	52.0%	(1,380)	(268,016)	0.0%
Results Net of Capital Expenditures	\$ 12,661,579	\$ (4,918,983)	71.0%	\$ 7,402,952	\$ (82,489)	-101.1%

NOTES: Combined net proceeds of VAA & DVP is just under \$1.2 million improvement over same point prior fiscal year.

CAA Trends

Monthly Net Operating Proceeds through September 30, 2022



Accumulative Net Proceeds by Month

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Other Detail
September 30, 2022

	Annual			Actual		
	FY 2022	FY 2023	Change	FY 2022	FY 2023	Change
	Final (Unaudited)	Budget	Positive	7/1-9/30	7/1-9/30	Positive
			(Negative)			(Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 144,201	\$ 100,000	-30.7%	\$ 69,344	\$ 47,018	-32.2%
Miscellaneous	10,480,549	68,000	-99.4%	8,202,265	1,800	-100.0%
	<u>10,624,750</u>	<u>168,000</u>	<u>-98.4%</u>	<u>8,271,609</u>	<u>48,818</u>	<u>-99.4%</u>
Expenses						
Arena 25-Year Recognition/New						
Venue Awareness	39,626	100,000	-100.0%	10,875	-	100.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	-	66,667	100.0%
Diversity Initiative	9,817	200,000	-1937.3%	-	53,169	0.0%
Wages/Benefits	147,035	111,800	24.0%	33,170	2,778	91.6%
Professional Services	167,381	135,570	19.0%	3,732	13,052	-249.7%
DID Assessment	63,806	65,720	-3.0%	-	66,646	0.0%
Food & Beverage Repairs	-	45,000	-100.0%	-	-	0%
Consulting Services	132,561	143,165 ⁽¹⁾	-8.0%	23,580	9,000	61.8%
Landscaping	25,909	27,810	-7.3%	-	-	0.0%
Procurement of Art	25,958	30,000	-100.0%	689	7,489	-100.0%
Insurance	19,392	25,075	-29.3%	18,275	25,542	-39.8%
Supplies/Other	39,572	10,000	74.7%	2,939	10,120	-244.3%
	<u>871,057</u>	<u>1,094,140</u>	<u>-25.6%</u>	<u>93,260</u>	<u>254,463</u>	<u>-172.9%</u>
Net Proceeds - Operating	<u>\$ 9,753,693</u>	<u>\$ (926,140)</u>	<u>109.5%</u>	<u>\$ 8,178,349</u>	<u>\$ (205,645)</u>	<u>-102.5%</u>

Notes:

⁽¹⁾ SMG - \$57,165; Potomac Strategic Development - \$36,000; Progressive AE - \$50,000

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Distribution:

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



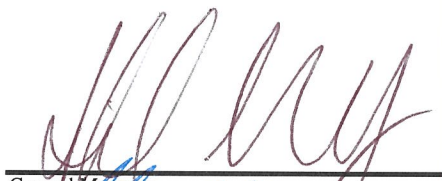
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2023


	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	82	314	396	368	28
ATTENDANCE	67,318	507,485	574,803	563,920	10,883
DIRECT EVENT INCOME	475,057	2,922,650	3,397,707	3,431,950	(34,243)
ANCILLARY INCOME	541,985	1,725,986	2,267,971	2,208,772	59,199
OTHER EVENT INCOME	161,771	522,600	684,371	538,400	145,971
TOTAL EVENT REVENUE	1,178,813	5,171,236	6,350,049	6,179,122	170,927
TOTAL OTHER REVENUE	22,642	58,450	81,092	50,000	31,092
TOTAL OPERATING REVENUE	1,201,455	5,229,686	6,431,141	6,229,122	202,019
INDIRECT EXPENSES					
EXECUTIVE	43,966	252,074	296,040	296,040	-
FINANCE	76,855	261,274	338,129	338,129	-
MARKETING	42,378	172,168	214,546	214,546	-
OPERATIONS	339,194	1,395,799	1,734,993	1,734,993	-
EVENT SERVICES	380,093	1,140,716	1,520,809	1,520,809	-
BOX OFFICE	55,102	266,442	321,544	321,544	-
SALES	100,214	482,665	582,879	582,879	-
OVERHEAD	556,828	1,711,823	2,268,651	2,268,651	-
TOTAL OPERATING EXP.	1,594,633	5,682,961	7,277,591	7,277,591	-
NET REVENUE ABOVE EXPENSES	(393,178)	(453,275)	(846,450)	(1,048,469)	202,019
INCENTIVE FEE		188,730	188,730	0	(188,730)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(393,178)	(642,005)	(1,035,180)	(1,048,469)	13,289

Comments:

September concludes the first quarter of the fiscal year for DeVos Place. Overall revenues ended the quarter consistent with budget and the forecast for the balance of the fiscal year anticipates a \$200K improvement in revenues.

Expenses are trending ahead of budget so far through the first quarter, however, no revision has been made to the forecast for the year as a whole it is anticipated that as the facility gets into the busier season expenses will level back off with budget.


General Manager


Assistant General Manager

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	September Actual	September Budget	September FY 2022
Number of Events	30	15	31
Attendance	17,658	14,100	10,540
Direct Event Income	\$92,442	\$133,078	\$162,068
Ancillary Income	132,419	79,995	148,135
Other Event Income	89,347	22,300	23,046
Other Operating Income	9,501	4,166	7,799
Indirect Expenses	(527,319)	(606,470)	(531,010)
Net Income	(\$203,610)	(\$366,931)	(\$189,962)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	82	69	64
Attendance	67,318	86,510	22,866
Direct Event Income	\$475,057	\$584,823	\$320,887
Ancillary Income	541,985	487,339	279,405
Other Event Income	161,771	79,900	37,419
Other Operating Income	22,642	12,498	19,293
Indirect Expenses	(1,594,633)	(1,819,410)	(1,348,929)
Net Income	(\$393,178)	(\$654,850)	(\$691,925)

EVENT INCOME

Total event income fell short of budget overall.

ANCILLARY INCOME

Ancillary income came in well ahead of budget for the month which offset the shortfall on event income.

INDIRECT EXPENSES

Expenses came in ahead of budget for the month and continue to trend ahead of budget.

DeVos Place
Income Statement
For the Three Months Ended September 30, 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	\$170,426	\$142,278	\$ 28,148	\$178,362	\$661,586	\$597,983	\$ 63,603	\$324,068
Service Revenue	211,799	165,320	46,479	133,197	587,323	541,781	45,542	301,616
Service Expenses	(289,783)	(174,520)	(115,263)	(149,491)	(773,852)	(554,941)	(218,911)	(304,797)
Total Direct Event Income	92,442	133,078	(40,636)	162,068	475,057	584,823	(109,766)	320,887
Ancillary Income								
F&B Concession	14,060	8,565	5,495	17,415	38,631	28,428	10,203	28,994
F&B Catering	71,797	26,516	45,281	60,021	248,442	188,121	60,321	85,030
Novelty Sales	8,796	300	8,496	600	10,023	2,500	7,523	5,009
Booth Cleaning	7,009	9,611	(2,602)	27,149	74,614	60,630	13,984	52,454
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	8,010	13,093	(5,083)	18,670	83,958	81,354	2,604	43,543
Audio Visual	8,703	10,635	(1,932)	8,255	31,821	77,059	(45,238)	30,113
Internet Services	5,776	2,684	4,764	6,315	24,454	19,933	4,521	7,682
Equipment Rental	8,268	8,591	(323)	9,710	30,042	29,314	728	26,580
Total Ancillary Income	132,419	79,995	52,424	148,135	541,985	487,339	54,646	279,405
Other Event Income								
Ticket Rebates(Per Event)	89,347	22,300	67,047	23,046	161,771	79,900	81,871	37,419
Total Other Event Income	89,347	22,300	67,047	23,046	161,771	79,900	81,871	37,419
Total Event Income	314,208	235,373	78,835	333,249	1,178,813	1,152,062	26,751	637,711
Other Operating Income								
Luxury Box Agreements	804	1,333	(529)	0	2,413	3,999	(1,586)	0
Advertising	0	1,000	(1,000)	0	0	3,000	(3,000)	0
Other Income	8,697	1,833	6,864	7,799	20,229	5,499	14,730	19,293
Total Other Operating Income	9,501	4,166	5,335	7,799	22,642	12,498	10,144	19,293
Adjusted Gross Income	323,709	239,539	84,170	341,048	1,201,455	1,164,560	36,895	657,004
Operating Expenses								
Salaries and Wages	355,486	315,797	39,689	296,661	956,660	947,391	9,269	736,614
Payroll Taxes and Benefits	109,742	99,956	9,786	112,798	297,543	299,868	(2,325)	266,422
Labor Allocations to Events	(229,172)	(152,700)	(76,472)	(193,739)	(664,592)	(458,100)	(206,492)	(456,388)
Net Salaries and Benefits	236,056	263,053	(26,997)	215,720	589,611	789,159	(199,548)	546,648
Contracted Services	52,415	39,217	13,198	38,796	157,074	117,651	39,423	89,033
General and Administrative	25,338	39,603	(14,265)	25,844	121,122	118,809	2,313	88,948
Operations	10,607	13,852	(3,245)	6,672	86,627	41,556	45,071	16,197
Repair and Maintenance	26,373	48,667	(22,294)	60,443	96,636	146,001	(49,365)	143,124
Operational Supplies	15,518	25,675	(10,157)	36,761	53,170	77,025	(23,855)	56,512
Insurance	24,831	32,725	(7,894)	18,459	78,571	98,175	(19,604)	51,920
Utilities	120,702	127,734	(7,032)	113,287	365,385	383,202	(17,817)	311,462
SMG Management Fees	15,479	15,944	(465)	15,028	46,437	47,832	(1,395)	45,085
Total Operating Expenses	527,319	606,470	(79,151)	531,010	1,594,633	1,819,410	(224,777)	1,348,929
Net Income(Loss) From Operatic	(203,610)	(366,931)	163,321	(189,962)	(393,178)	(654,850)	261,672	(691,925)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(203,610)	(366,931)	163,321	(189,962)	(393,178)	(654,850)	261,672	(691,925)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Three Months Ended September 30, 2022

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	46	47	40,530	53,160	627,128	777,741
Consumer/Gated Shows	1	4	538	6,000	7,664	30,915
DeVos Performance Hall	15	12	18,950	15,350	288,900	190,780
Banquets	1	-	750	-	532	-
Meetings	17	6	4,450	12,000	244,554	152,626
Other	2	-	2,100	-	10,034	-
GRAND TOTALS	82	69	67,318	86,510	1,178,811	1,152,062

As Percentage of Overall

Convention/Trade Shows	56.10%	68.12%	60.21%	61.45%	53.20%	67.51%
Consumer/Gated Shows	1.22%	5.80%	0.80%	6.94%	0.65%	2.68%
Devos Performance Hall	18.29%	17.39%	28.15%	17.74%	24.51%	16.56%
Ballroom Exclusive	1.22%	0.00%	1.11%	0.00%	0.05%	0.00%
Meetings	20.73%	8.70%	6.61%	13.87%	20.75%	13.25%
Other	2.44%	0.00%	3.12%	0.00%	0.85%	0.00%

**DeVos Place
Balance Sheet
As of September 30 ,2022**

ASSETS

Current Assets

Cash	2,508,028
Account Receivable	1,469,027
Prepaid Expenses	364,556

Total Current Assets	\$4,341,611	
-----------------------------	--------------------	--

Total Assets

\$4,341,611

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	1,157,391
Accrued Expenses	190,471
Deferred Income	224,937
Advanced Ticket Sales & Deposits	2,183,419

Total Current Liabilities	\$3,756,218	
---------------------------	-------------	--

Other Liabilities

Equity

Funds Remitted to CAA	(16,500)
Funds Received by CAA	
Expenses Paid Direct by CAA	355,898
Beginning Balance Equity	639,174
Current Year Equity	(393,178)

Total Equity	\$585,394	
--------------	-----------	--

Total Liabilities and Equity

\$4,341,611

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of September 30 ,2022

Current - Under 30 Days	
Food & Beverage	86,588
Ticketing	137,925
Merchandise	3,740
Decorating	7,009
Audio/Visual	8,702
Van Andel Arena	347,858
Operating	728,496
 Over 30 Days	 102,695
 Over 60 Days	 46,014
 Over 90 Days	
 Total Accounts Receivable	 1,469,027

**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 Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Unaudited
Net Revenue above Expenses	2,113,516	(846,450)	1,267,066	2,650,922
Benchmark++			1,050,000	1,050,000
Excess	2,113,516	(846,450)	217,066	1,600,922

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	7,163,007	6,431,141	13,594,148	14,004,879
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	1,143,385	1,112,833	2,256,218	3,555,174
Incentive Fee **	193,912	188,730	382,642	371,497
Total SMG Management Fee	385,233	380,051	765,284	742,994

** 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 FISCAL YEAR ENDED SEPTEMBER 30, 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



VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2023

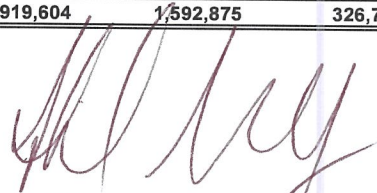
	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	9	101	110	86	24
ATTENDANCE	69,258	542,087	611,345	561,500	49,845
DIRECT EVENT INCOME	343,205	1,187,940	1,531,145	1,401,940	129,205
ANCILLARY INCOME	338,928	1,606,203	1,945,131	1,716,326	228,805
OTHER EVENT INCOME	373,799	934,500	1,308,299	1,195,500	112,799
TOTAL EVENT INCOME	1,055,932	3,728,643	4,784,575	4,313,766	470,809
TOTAL OTHER INCOME	531,112	1,847,320	2,378,432	2,328,600	49,832
TOTAL INCOME	1,587,044	5,575,963	7,163,007	6,642,366	520,641
INDIRECT EXPENSES					
EXECUTIVE	53,160	238,382	291,542	291,542	-
FINANCE	68,643	213,812	282,455	282,455	-
MARKETING	64,441	262,704	327,145	327,145	-
OPERATIONS	615,869	1,726,997	2,342,866	2,342,866	-
BOX OFFICE	49,442	234,600	284,042	284,042	-
SKYWALK ADMIN	5,648	48,452	54,100	54,100	-
OVERHEAD	330,415	1,136,926	1,467,341	1,467,341	-
TOTAL INDIRECT EXP.	1,187,619	3,861,873	5,049,491	5,049,491	-
NET REVENUE ABOVE EXPENSES	399,425	1,714,090	2,113,516	1,592,875	520,641
LESS INCENTIVE FEE		193,912	193,912	-	(193,912)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	399,425	1,520,178	1,919,604	1,592,875	326,729


Comments:

Van Andel Arena concludes the 1st quarter of the fiscal year trending ahead of budget overall on the strength of strong selling shows hosted so far.

Original budget did not have the Grand Rapids Gold, combined with higher than anticipated concert revenues, has the final three quarters of the fiscal year trending well ahead of budget.

Expenses continue to be consistent with budget and no change in forecast.


General Manager


Assistant General Manager

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2023**

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 2022
Number of Events	2	2	3
Attendance	16,834	16,000	14,699
Direct Event Income	\$45,694	\$78,000	\$83,239
Ancillary Income	90,465	53,320	95,490
Other Event Income	108,480	72,000	78,049
Other Operating Income	160,732	187,972	64,491
Indirect Expenses	(429,309)	(420,794)	(244,648)
Net Income	(\$23,938)	(\$29,502)	\$76,621

YTD	YTD 2023 Actual	YTD 2023 Budget	YTD 2022 Prior Year
Number of Events	9	8	5
Attendance	69,258	64,000	20,397
Direct Event Income	\$343,205	\$312,000	\$108,754
Ancillary Income	338,928	213,280	120,496
Other Event Income	373,799	288,000	88,427
Other Operating Income	531,112	587,916	67,529
Indirect Expenses	(1,187,619)	(1,262,382)	(771,569)
Net Income	\$399,425	\$138,814	(\$386,363)

EVENT INCOME

Event income came in a bit lower than budget overall.

ANCILLARY INCOME

Ancillary income came in ahead of budget as per cap spending continues to be strong and helped offset lower than expected event revenue.

INDIRECT EXPENSES

Indirect expenses came in very consistent with budget overall.

Van Andel Arena
Income Statement
For the Three Months Ended September 30, 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	\$ 13,454	\$ 90,000	\$ (76,546)	\$ 108,017	\$ 374,538	\$ 360,000	\$ 14,538	\$ 151,690
Service Revenue	287,294	120,000	167,294	284,030	879,772	480,000	399,772	325,787
Service Expenses	(255,054)	(132,000)	(123,054)	(308,808)	(911,105)	(528,000)	(383,105)	(368,723)
Total Direct Event Income	45,694	78,000	(32,306)	83,239	343,205	312,000	31,205	108,754
Ancillary Income								
F&B Concession	71,983	42,400	29,583	74,103	268,917	169,600	99,317	95,826
F&B Catering	8,510	4,680	3,830	7,152	28,456	18,720	9,736	7,745
Novelty Sales	9,972	6,240	3,732	14,235	41,555	24,960	16,595	16,925
Booth Cleaning	-	-	-	-	-	-	-	-
Audio Visual	-	-	-	-	-	-	-	-
Other Ancillary	-	-	-	-	-	-	-	-
Total Ancillary Income	90,465	53,320	37,145	95,490	338,928	213,280	125,648	120,496
Other Event Income								
Ticket Rebates(Per Event)	108,480	72,000	36,480	78,049	373,799	288,000	85,799	88,427
Total Other Event Income	108,480	72,000	36,480	78,049	373,799	288,000	85,799	88,427
Total Event Income	244,639	203,320	41,319	256,778	1,055,932	813,280	242,652	317,677
Other Operating Income								
Luxury Box Agreements	105,242	129,888	(24,646)	50,443	363,944	413,664	(49,720)	52,926
Advertising	54,548	52,084	2,464	-	164,270	156,252	8,018	-
Other Income	942	6,000	(5,058)	14,048	2,898	18,000	(15,102)	14,603
Total Other Operating Income	160,732	187,972	(27,240)	64,491	531,112	587,916	(56,804)	67,529
Adjusted Gross Income	405,371	391,292	14,079	321,269	1,587,044	1,401,196	185,848	385,206
Operating Expenses								
Salaries and Wages	237,148	201,334	35,814	138,356	651,992	604,002	47,990	301,841
Payroll Taxes and Benefits	66,992	60,119	6,873	46,598	187,111	180,357	6,754	102,958
Labor Allocations to Events	(108,367)	(82,886)	(25,481)	(102,651)	(355,352)	(248,658)	(106,694)	(111,964)
Net Salaries and Benefits	195,773	178,567	17,206	82,303	483,751	535,701	(51,950)	292,835
Contracted Services	32,552	36,600	(4,048)	20,699	104,929	109,800	(4,871)	68,701
General and Administrative	35,275	33,831	1,444	20,666	115,018	101,493	13,525	89,735
Operations	3,127	7,184	(4,057)	5,076	14,439	21,552	(7,113)	7,235
Repair and Maintenance	54,273	31,375	22,898	20,909	136,314	94,125	42,189	69,881
Operational Supplies	23,569	23,017	552	11,163	59,692	69,051	(9,359)	28,184
Insurance	14,984	23,667	(8,683)	12,135	52,788	71,001	(18,213)	25,922
Utilities	54,727	70,609	(15,882)	56,669	175,602	211,827	(36,225)	143,991
SMG Management Fees	15,029	15,944	(915)	15,028	45,086	47,832	(2,746)	45,085
Total Operating Expenses	429,309	420,794	8,515	244,648	1,187,619	1,262,382	(74,763)	771,569
Net Income(Loss) From Operations	(23,938)	(29,502)	5,564	76,621	399,425	138,814	260,611	(386,363)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(23,938)	(29,502)	5,564	76,621	399,425	138,814	260,611	(386,363)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Three Months Ended September 30, 2022

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	1		4,284		93,816	
Sporting Event	1		845		38,571	
Concert	6	8	53,603	64,000	802,097	813,280
Team Home Games						
Other	1		10,526		121,447	
GRAND TOTALS	9	8	69,258	64,000	1,055,932	813,280

As Percentage of Overall

Family Show	11.11%	0.00%	6.19%	0.00%	8.88%	0.00%
Sporting Event	11.11%	0.00%	1.22%	0.00%	3.65%	0.00%
Concert	66.67%	100.00%	77.40%	100.00%	75.96%	100.00%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	11.11%	0.00%	15.20%	0.00%	11.50%	0.00%

Van Andel Arena
Balance Sheet
As of September 30, 2022

ASSETS

Current Assets

Cash	15,027,597
Account Receivable	1,695,059
Prepaid Expenses	113,932

Total Current Assets	\$16,836,588	
-----------------------------	---------------------	--

Total Assets

\$16,836,588

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	2,715,081
Accrued Expenses	228,279
Deferred Income	3,277,302
Advanced Ticket Sales & Deposits	6,490,149

Total Current Liabilities	\$12,710,811	
---------------------------	--------------	--

Other Liabilities

Equity

Funds Remitted to CAA	-
Funds Received by CAA	-
Expenses Paid Direct by CAA	167,255
Beginning Balance Equity	3,559,097
Current Year Equity	399,425

Total Equity	\$4,125,777	
--------------	-------------	--

Total Liabilities and Equity

\$16,836,588

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of September 30, 2022

Current - Under 30 Days	
Food & Beverage	193,724
Ticketing	-
Merchandise	23,988
Permanent Advertising	-
DeVos Place	(350,904)
Operating	1,805,411
 Over 30 Days	 22,840
 Over 60 Days	
 Over 90 Days	
 Total Accounts Receivable	 1,695,059

**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 Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Unaudited
Net Revenue above Expenses	2,113,516	(846,450)	1,267,066	2,650,922
Benchmark++			1,050,000	1,050,000
Excess	2,113,516	(846,450)	217,066	1,600,922

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	7,163,007	6,431,141	13,594,148	14,004,879
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	1,143,385	1,112,833	2,256,218	3,555,174
Incentive Fee **	193,912	188,730	382,642	371,497
Total SMG Management Fee	385,233	380,051	765,284	742,994

** 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.

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF
ADDENDUM I TO OPERATING AGREEMENT BETWEEN THE
COUNTY OF KENT AND THE CITY OF GRAND RAPIDS**

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

WHEREAS, the County of Kent (the “County”) and the City of Grand Rapids (the “City”) previously established the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) and entered into an Operating Agreement (the “Agreement”) dated as of March 29, 2000, related to the development, construction, ownership and operation of a Convention Center, the ownership of the Van Andel Arena and other matters; and

WHEREAS, the CAA approved and executed the Agreement with respect to matters related to it; and

WHEREAS, the County and the City have determined to amend the Agreement in certain respects pursuant to Addendum I to Operating Agreement (“Addendum I”); and

WHEREAS, certain provisions of Addendum I are applicable to the CAA which require the CAA’s approval.

RESOLVED:

1. That Addendum I in the form presented at this meeting is approved with such modifications not materially adverse to the CAA approved as to content by the CAA Executive Director and as to form by CAA legal counsel and the Chairperson of the Board is authorized and directed to execute the approved Addendum I.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: November 4, 2022

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on November 4, 2022, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: November 4, 2022

Susan M. Waddell
Administrative Manager/Recording Secretary

GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

**ADDENDUM I
TO
OPERATING AGREEMENT**

THIS ADDENDUM I TO OPERATING AGREEMENT (the “Addendum I”) is made as of March 30, 2022, by and between the **COUNTY OF KENT** (the “County”) and the **CITY OF GRAND RAPIDS** (the “City”).

PREAMBLE

The County and City previously established the Grand Rapids-Kent County Convention/Arena Authority (the “Authority”) and entered into an Operating Agreement (the “Agreement”) dated as of March 29, 2000, related to the development, construction, ownership and operation of a Convention Center, the ownership of the Van Andel Arena and other matters. The County and City have determined to amend the Agreement pursuant to the terms of this Addendum I.

NOW, THEREFORE, in consideration of the respective agreements in the Agreement and herein contained, the parties hereto agree as follows:

Section 1. Amendment to RECITALS to Agreement. The RECITALS to the Agreement are amended by the addition of the following Recital C:

C. The Authority has determined to cause the construction of, own and operate an approximately 12,000 person capacity amphitheater facility located at or in the vicinity of 201 Market Avenue, S.W. in the City (the “Amphitheater”) and the City and County desire to address certain matters related to the Amphitheater in this Agreement.

Section 2. Amendment to Article I of Agreement. Article I, “Authority Facilities,” of the Agreement is amended by the addition of Section 1.4, “Amphitheater,” to read as follows:

Section 1.4. Amphitheater, Ownership, Liabilities and Indemnification. The Authority shall have an ownership interest in, operate and maintain the Amphitheater, **provided, however**, other than otherwise specifically provided in this Agreement, the provisions of this Agreement shall not apply to the Amphitheater. Any and all liability associated with or arising in any way from the Amphitheater, its construction, and its operation shall be the sole responsibility and obligation of the City and the CAA. The City and CAA shall indemnify the County from any such liabilities or costs, be they direct or indirect liabilities and/or costs.

Section 3. Amendment to Section 3 of Agreement. Section 3.1, “Operating Reserve,” of the Agreement is amended to read as follows:

Section 3.1. Operating Reserve for CAH Facilities. It is agreed that a combined operating reserve fund in the amount determined from time to time as provided in the Memorandum (hereinafter referred to as the "Reserve Requirement") shall be established by the Authority for the Convention Center, Van Andel Arena, DeVos Hall (collectively, the "CAH Facilities") and the general administration costs of the Authority related to the CAH Facilities.

Section 4. Amendment to Article III of Agreement. Article III, "Operating and Capital Reserve Fund," of the Agreement is amended by the addition of a new Section 3.2 to read as follows:

Section 3.2 Operating Reserve for Amphitheater. The Authority may establish a separate operating reserve fund for the Amphitheater, *provided, however*, no operating or other revenues attributable to the CAH Facilities shall be used to fund such operating reserve fund.

Section 5. Amendment to Section 3.2 of Agreement. Section 3.2, "Capital Reserve," of the Agreement is renumbered Section 3.3 and is amended to read as follows:

Section 3.3. Capital Reserve for CAH Facilities. It is agreed that the Authority shall establish and fund a combined capital reserve fund for the CAH Facilities in an amount as shall be reasonably determined by the Authority Board from time to time.

Section 6. Amendment to Article III of Agreement. Article III, "Operating and Capital Reserve Fund," is amended by the addition of Section 3.4, "Capital Reserve for Amphitheater," to read as follows:

Section 3.4. Capital Reserve for Amphitheater. The Authority may establish a separate capital reserve fund for the Amphitheater, *provided, however*, no operating or other revenues attributable to the CAH Facilities shall be used to fund such capital reserve fund.

Section 7. Amendment to Section 4.1 of Agreement. Section 4.1, "Use of Primary Funds Before Coverage of Deficit Required," of the Agreement is amended to read as follows:

Section 4.1. Use of Primary Funds Before Coverage of Deficit Required for CAH Facilities. If during any fiscal year of the Authority, the Authority experiences an operating deficit for operation (including the general administrative costs of the Authority allocated thereto) of the CAH Facilities such deficit shall be covered by the following sources of funds in the following order of priority:

- (a) from net operating income during the same fiscal year of any of the other CAH Facilities (e.g. net operating income of the Van Andel Arena shall be used to cover an operating deficit of the Convention Center), ***provided, however,*** until the Ten Million Dollar (\$10,000,000) pledge from net operating income of the Van Andel Arena toward the construction of the Convention Center (hereinafter referred to as the “\$10,000,000 Pledge”) has been paid in full, any net operating income of the Van Andel Arena in a fiscal year shall first be used to fund One Million Dollars (\$1,000,000) per year of the \$10,000,000 Pledge or to make up any deficit in such pledge in a prior fiscal year before being used to offset an operating deficit of other CAH Facilities;
- (b) from moneys available in the operating reserve fund established for the CAH Facilities; and
- (c) from hotel/motel tax revenues levied and collected by the County pursuant to Act 263 of the Public Acts of Michigan of 1974, as amended (“Act 263”), and available after (i) payment to the County for the Cost of administration and collection of the excise tax and (ii) provision has been made by the County for payment of the following:
 - 1. payment of the principal and interest payments due in such fiscal year on (a) bonds issued to finance a portion of the costs of construction of the Convention Center as referenced in Section 1.1 hereof, (b) any other bonds or other obligations which were outstanding on March 29, 2000, and for which hotel/motel tax revenues are pledged, directly and indirectly, as security therefor, or (c) bonds issued to refund bonds referenced in (a) and (b) above (it is recognized that unspent hotel/motel tax revenues collected in some years will likely be needed to pay debt service due on outstanding bonds in other years);
 - 2. payment to the Grand Rapids/Kent County Convention and Visitors Bureau of (a) twenty percent (20%) of the hotel/motel tax revenues levied and collected for each of the County’s fiscal years ending December 31, 2000, December 31, 2001, and December 31, 2002; (b) up to \$900,000 for the County’s fiscal year ending December 31, 2003, and (c) for each fiscal year of the County thereafter, an amount equal to the amount paid in the immediately preceding fiscal year increased by the same percent as the percentage increase in the Consumer Price

Index (All U.S. Cities) of the most recent 12 month period for which such information is available, ***provided, however,*** such amount paid in a fiscal year shall not exceed twenty percent (20%) of the hotel/motel tax revenues levied and collected in such fiscal year; and

3. payment to the John Ball Zoological Society/Garden (hereinafter referred to as the “Zoo”) of (a) an amount equal to one-half the unspent surplus hotel/motel tax revenues levied and collected for the County’s fiscal year ending December 31, 2000, for the calendar year 2000, (b) up to \$650,000 per calendar year for the calendar years 2001 through 2010 and (c) up to \$750,000 per calendar year for the calendar years 2011 through 2020.

Section 8. Amendment to Section 4.2 of Agreement. Section 4.2, “Coverage of Operating Deficits by City and County,” of the Agreement is amended to read as follows:

Section 4.2. Coverage of Operating Deficits for CAH Facilities by City and County. After application of the sources of funds set forth in Section 4.1 hereof, any remaining operating deficit related to the CAH Facilities only in a fiscal year shall be shared equally by the City and the County.

Section 9. Addition of Section 4.3 to Agreement. Section 4.3, “Operating Deficits Related to CAH Facilities,” is added as an amendment to Article IV, “Operation Deficits,” of the Agreement to read as follows:

Section 4.3. Operating Deficits Related to Non-CAH Facilities; Liability and Indemnification for Non-CAH Facilities. The provisions of Section 4.1 and 4.2 above shall not apply to facilities, other than the CAH Facilities. The County shall not be responsible for any acquisition, construction or operating costs or deficits related to the Amphitheater. This exclusion of the County from the costs and liabilities of the Amphitheater is intended by the parties to be read as broadly as possible. Without limiting the foregoing, all costs and liabilities of the acquisition, construction or operation of the Amphitheater shall be the responsibility of the City and the CAA without increasing any obligations of the County through its membership in the CAA. Upon closing on the purchase of the property upon which the Amphitheater is constructed (the “Option Property”), the CAA will timely complete and submit a baseline environmental assessment with the Michigan Department of Environment, Great Lakes, and Energy and any other appropriate agency. The CAA will take all actions necessary and/or prudent to maintain the liability protections available to buyers of property about which a baseline environmental assessment is prepared and

filed, including all future, post-closing obligations under the baseline environmental assessment and/or the due care plan to monitor or maintain the Option Property.

If there are underground storage tank(s), hazardous waste storage facilities or any other regulated activities on the Option Property that are exempt from liability protection through the submission of a baseline environmental assessment on the Option Property, the CAA shall obtain from the City or other party, an indemnification protecting the CAA and its members from all costs associated with such environmental issues. The indemnification shall be enforceable by the CAA and/or its members acting individually or collectively.

Section 10. Amendment to Article V of Agreement. Article V, “Net Operating Income,” is amended by the addition of Section 5.2, “Distribution of Net Operating Income of Amphitheater,” to read as follows:

Section 5.2 Distribution of Net Operating Income of Amphitheater. Any net operating income realized from the operation of the Amphitheater shall not be subject to the terms of this Agreement. The County shall not be entitled to share any such net operating incomes and the parties hereto recognize that the CAA and City may enter into a separate agreement with respect to the distribution of such operating incomes.

Section 11. Amendment to Section 5.1 of Agreement. Section 5.1, “Distribution of Net Operating Income,” of the Agreement is amended to read as follows:

Section 5.1. Distribution of Net Operating Income of CAH Facilities. If in any fiscal year of the Authority (a) income from the combined operation of the CAH Facilities exceeds expenses of the Authority related to the CAH Facilities, including the Authority’s administrative expenses allocated to the CAH Facilities, (b) the Authority’s operating reserve fund related to the CAH Facilities is fully funded at the Reserve Requirement and (c) the Authority’s capital reserve fund for the CAH Facilities is funded at a level reasonably determined by the Authority Board, any excess revenues in such fiscal year shall be distributed equally to the City (and the DDA as the City and DDA shall determine) and the County.

Section 12. Amendment to Section 7.1 of Agreement. Section 7.1, “Mission Statement of Authority and Its Facilities,” of the Agreement is amended to read as follows:

Section 7.1. Mission Statements of Authority and Its Facilities. The overall mission statement of the Authority and the individual mission statements of the Convention Center, Van Andel

Arena, DeVos Hall, and Amphitheater shall be set forth in Appendix I attached hereto.

Section 13. Amendment to Section 7.2 of Agreement. Section 7.2, “Amendment or Revision of Mission Statements,” of the Agreement is amended to read as follows:

Section 7.2. Amendment or Revision to Mission Statements. The overall mission statement of the Authority and the individual mission statements of the Convention Center, Van Andel Arena, DeVos Hall and Amphitheater may be amended or revised by the Authority, provided such amendment or revision is first approved by the County Board of Commissioners and the City Commission.

Section 14. Amendment to Section 8.4 of Agreement. Subparagraph (a) of Section 8.4, “Responsibility of Liaison Committee,” of the Agreement is amended to read as follows:

Section 8.4. Responsibility of Liaison Committee. The Liaison Committee shall have responsibility to:

- (a) annually review and report to the County Board of Commissioners and the City Commission on (i) the fulfillment of the Authority’s overall mission statement and the separate mission statements of the CAH Facilities and (ii) the Authority’s operations related to the CAH Facilities; and

Section 15. Amendment to Appendix I to the Agreement. Appendix I, “Mission Statements,” to the Agreement is amended by adding the following:

Amphitheater Mission Statement

To encourage economic development within the West Michigan region, create jobs and provide a facility for entertainment, enjoyment and benefit of the residents in an economical manner with a priority of facility fiscal responsibility through the delivery of events that are primarily entertainment related with a secondary emphasis on artistic and community activities and public events.

Section 16. Definitions. All terms used in this Addendum I and not defined shall have those meanings as defined in the Agreement.

IN WITNESS WHEREOF, the City and the County have caused these presents to be signed by their respective duly authorized officers all as of the day and year first written above.

COUNTY OF KENT

By: _____
Stanley J. Stek
Board Chairperson

Attest: _____
Lisa Posthumus Lyons
County Clerk

CITY OF GRAND RAPIDS

By: _____
Rosalynn Bliss
Mayor

Attest: _____
Joel H. Hondorp
City Clerk

Approved this _____, 2022, by the
**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**
with respect to provisions contained in this
Addendum I which apply to it for good and
valuable consideration receipt of which is
acknowledged

By: _____
Richard Winn
Chairperson