

Agenda

Finance Committee

Friday, November 4, 2022

8:00 a.m.

**Kent County Administration Building
300 Monroe, NW • Grand Rapids, MI 49503**

- | | | |
|-----|---|----------------|
| 1. | Call to Order | Jay Preston |
| 2. | Grand Rapids Gold Presentation | Steve Jbara |
| 3. | Minutes of August 5, 2022, Meeting | Action |
| 4. | Consolidated Financial Statement for the Period Ending September 30, 2022 | Action |
| 5. | ASM Global Financial Statements for Period Ending September 30, 2022 - DeVos Place® and Van Andel Arena® | Information |
| 6. | Auto Parking System Periodic Reporting | Information |
| 7. | Resolution Approving and Authorizing the Execution of Addendum I to Operating Agreement Between the County of Kent and the City of Grand Rapids | Action |
| 8. | Report from ASM Global | Rich MacKeigan |
| 9. | Self-Assessment by ASM Global | Information |
| 10. | Public Comment | |
| 11. | Committee Member Comments | |
| 12. | Adjournment | |

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
FINANCE COMMITTEE
300 MONROE AVENUE, NW | GRAND RAPIDS, MI
FRIDAY, AUGUST 5, 2022**

Attendance:

Members Present: Mandy Bolter
M. Scott Bowen
Lew Chamberlin
Jill Ferris
Robert Herr
Joe Jones
Marvin Van Nortwick
Jana Wallace
Richard Winn

Members Absent: Rosalynn Bliss
Jeff Dood
Birgit Klohs
Jay Preston

Staff/Others:	Andrea Anderson	City of Grand Rapids
	Kate Berens	City of Grand Rapids
	Tom Coomes	Citigroup
	Eric DeLong	City of Grand Rapids
	Christa Ferguson	WOOD TV
	Tim Gortsema	Grand Rapids Griffins
	Jen Henkel	ASM Global
	Hayden Johnson	ASM Global
	Jennifer Kasper	City of Grand Rapids
	Chris Machuta	ASM Global
	Rich MacKeigan	ASM Global
	Mary Manier	Experience Grand Rapids
	Cheri McConomy	McConomy Properties, LLC
	Brian McVicar	<i>The Grand Rapids Press/MLive</i>
	Jackie Morse	ASM Global
	Emilee Syrewicze	Opera Grand Rapids
	Eddie Tadlock	ASM Global
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	John Weiss	Dickinson Wright
	Richard Wendt	Dickinson Wright
	Jessica Wood	Dickinson Wright
	Kara Wood	Grand Action 2.0

1. Call to Order

CAA Chair, Richard Winn, called the meeting to order at 8:00 a.m.

2. Introduction of Kara Wood

Mr. Winn welcomed and introduced Kara Wood, the new Executive Director at Grand Action 2.0. Kara replaces Jon Nunn, who served with distinction as executive director of Grand Action and Grand Action 2.0 for 30 years. Ms. Wood has 22 years of experience in economic development, government relations, and community development. Ms. Wood previously served the City of Grand Rapids for 12 years and three years at Western Michigan University, as well as the Michigan Economic Development Corporation. Ms. Wood stated that she is looking forward to working collaboratively with the CAA on the amphitheater, soccer stadium, and riverfront redevelopment projects.

3. Minutes of Prior Meetings

Motion by Mr. Herr, support by Mr. Jones, to approve the May 6, 2022, Minutes, as corrected. Motion carried.

4. Consolidated Financial Statement for the Period Ending June 30, 2022

Chris Machuta presented the financial statement for the period ending June 30, 2022. Concert activity at the Van Andel Arena® was stronger than budgeted, with 35 concerts held though 19 were budgeted. Concert revenue came in well ahead of expectations, coupled with expense savings, led to revenue above expenses in excess of \$3 million. DeVos Place® concluded the fiscal year having exceeded overall budget by over \$1 million. While expenses finished the fiscal year above budget, this was due to more events hosted than expected, and revenue more than offset the increase in expenses. Ms. McConomy stated that the Lyon Street Landscaping carryover project of \$600,00 will be paid in full.

Motion by Mr. Herr, support by Ms. Wallace, to recommend CAA Board acceptance of the March 31, 2022, Consolidated Financial Statements. Motion carried.

**5. ASM Global Financial Statements for Period Ending June 30, 2022-
DeVos Place® and Van Andel Arena®**

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

6. Auto Parking System Periodic Reporting

The quarterly report regarding the City/County utilization of discounted DeVos Place® monthly parking passes was included as an information item.

7. Director & Officer Insurance Renewal

The CAA current insurance policy will expire on August 23, 2022. The renewal premium is \$18,093, a 1% decrease from last year.

Motion by Mr. Chamberlin, support by Mr. Herr, to recommend CAA Board approval of the renewal premium in the amount of \$18,093. Motion carried.

8. Resolution Approving and Authorizing Execution of a Memorandum of Understanding with Grand Action 2.0 Related to the Amphitheater Project and Other Related Matters

Attorney Richard Wendt presented the resolution and summarized various terms of the memorandum of understanding. The CAA will develop, construct, own, and operate the amphitheater. Grand Action 2.0 will provide advice, oversight, and direction to the CAA, will use its best efforts to conduct a fundraising

campaign, and will establish a donor recognition policy. Long-term financing may include the issuance of bonds. A design/buildings committee will be selected by both parties and will meet at least quarterly.

Motion by Mr. Bowen, support by Mr. Chamberlin, to recommend CAA Board approval of the Resolution Approving and Authorizing Execution of a Memorandum of Understanding with Grand Action 2.0 Related to the Amphitheater Project and Other Related Matters. Motion carried.

9. Resolution Approving Term Sheet and Authorizing Preparation and Execution of a Use Agreement with SSJ Group, LLC

Mr. MacKeigan presented the resolution approving a term sheet with SSJ Group, LLC to enter into an agreement for the use of the Van Andel Arena® by the Grand Rapids Gold team for basketball games and related events. The agreement would begin October 1, 2022 and end April 30, 2024, with an option by SSJ Group to extend the term for an additional three years.

Motion by Mr. Herr, support by Mr. Bowen, to recommend CAA Board approval of the Resolution Approving Term Sheet and Authorizing Preparation and Execution of a Use Agreement with SSJ Group, LLC. Motion carried.

10. Application to Liquor Control Commission for Special License

Mr. MacKeigan requested approval to apply to the Michigan Liquor Control Commission for special liquor licenses in conjunction with the International Wine, Beer & Food Festival that will be held November 18-19, with VIP tours on November 17, 2022.

Motion by Mr. Chamberlin, support by Ms. Wall, to recommend CAA Board approval of an application to the Michigan Liquor Control Commission for special liquor licenses in conjunction with the International Wine, Beer & Food Festival. Motion carried.

11. ASM Global Report and Facilities Calendars

Mr. MacKeigan provided the event schedule through the end of the calendar year. ASM Global has promoted Kathy Bart to Regional Director of Sales for Convention Centers.

12. Public Comment

None.

13. Committee Member Comments

Joe Jones spoke sadly of missing his friend, Floyd Wilson, Jr. Floyd was committed to the community, had genuine concern for others, was optimistic, and enjoyed life.

14. Adjournment

The meeting adjourned at 8:23 a.m.



Consolidated Financial Report
September 30, 2022

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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.

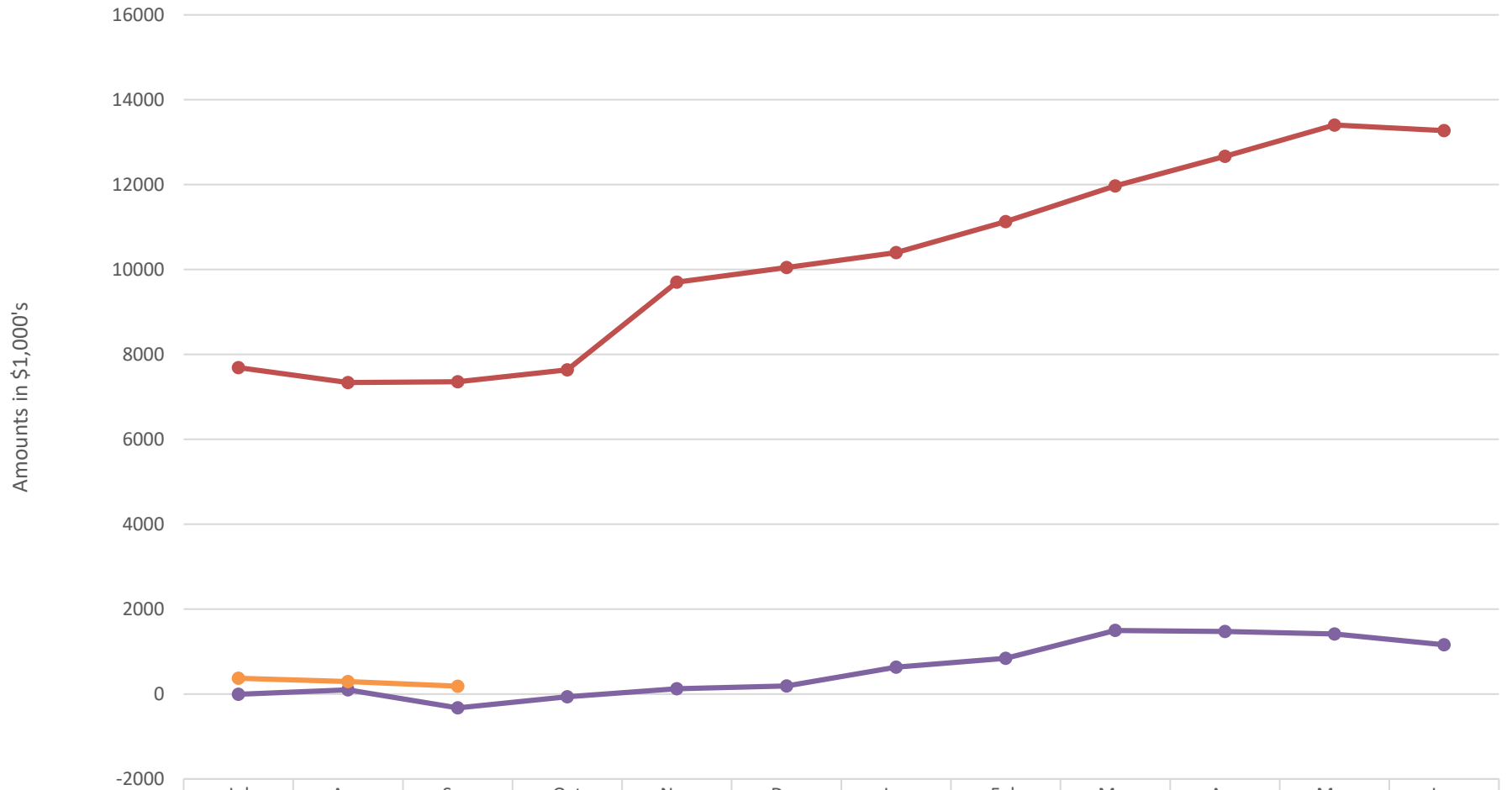
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2023

	Annual			Year-To-Date		
	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)
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



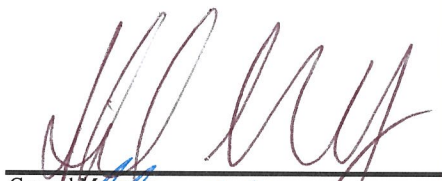
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2023


	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	
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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	
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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	
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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.

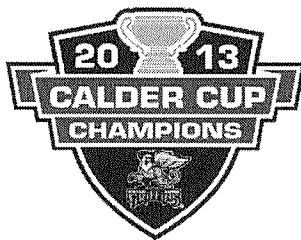
Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



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

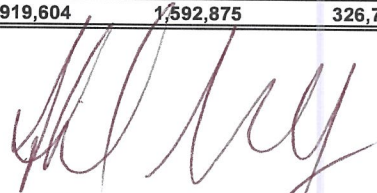
	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	9	101	110	86	24
ATTENDANCE	69,258	542,087	611,345	561,500	49,845
DIRECT EVENT INCOME	343,205	1,187,940	1,531,145	1,401,940	129,205
ANCILLARY INCOME	338,928	1,606,203	1,945,131	1,716,326	228,805
OTHER EVENT INCOME	373,799	934,500	1,308,299	1,195,500	112,799
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	
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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	
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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	
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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.

Memorandum

To: Jay Preston, Finance Committee Chairperson
CAA Board

From: Cheri McConomy

Subject: Auto Parking System Periodic Reporting

Date: November 4, 2022

The previously (6/5/20) adopted “Parking Operation Agreement” requires the City-Auto Parking System to provide a quarterly report regarding City/County utilization of discounted DeVos Place® monthly parking passes. The content of this 1st quarter (FY23) periodic report includes the following information:

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

The City currently holds 118 monthly passes.
The County currently holds 180 monthly passes.

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

The City increased the number of passes out by 2 between 7/1/22 and 9/30/22.
The County increased the number of passes out by 10 between 7/1/22 and 9/30/22.

C) “... a calculation of the difference between the then current market rate for monthly passes for the Parking Spaces and the then current rate for monthly passes by the City and County.”

The current (public) monthly pass rate is \$159, while the discounted City/County rate is \$58.45.
The City currently holds 118 passes with a total annualized discount of \$142,379.
The County currently holds 180 passes with a total annualized discount of \$217,188.

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 Q3 FY22	Total Spaces End of Q4 FY22	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	26	30	4	\$3,016.50	\$402.20
KC Facilities Management	144	150	6	\$15,082.50	\$603.30
City of GR	116	118	2	\$11,864.90	\$201.10
Total	286	298	12	\$29,963.90	\$1,206.60

*Current Market Rate is \$159 monthly, City/County Contractual Rate is \$58.45 monthly, effective 7/1/2022.

**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

**SMG, A DIVISION OF ASM GLOBAL
SELF-ASSESSMENT
VAN ANDEL ARENA®/DeVOS PLACE®/
DeVOS PERFORMANCE HALL
NOVEMBER 4, 2022**

Corporate Security:

- Todd Johnson is working with a select number of venue security directors and managers as well as the corporate VP of security on creation of a Risk Assessment/Threat level tool that will be used for all events during the booking process.
- We have created a templet for the Risk Assessment tool that is now in the process of being converted to an online application.
- Roll out estimated at the beginning of 2023

Clorox Partnership:

- As part of the VenueShield program, ASM Global and Clorox have created a partnership to make Clorox the preferred supplier of several disinfection products.
- ASM Grand Rapids was part a group of Tier 1 venues chosen to roll out the program.
- Products provided by Clorox (and still procured from a local vendor) include 360 disinfecting spray, hand sanitizer stations and disinfecting wipes.

Operationally at Van Andel Arena®:

- Scoreboard upgrades in process to include basketball scoring features and GR Gold representation.
- Basketball court refinish:
 - Shipped to DVP on September 1.
 - Court was stripped to bare wood, sealed, painted and coated.
 - Process was completed and floor returned to VAA on September 29.
- A new Condenser coil has been put in the cooling tower at VAA.

Operationally at DeVos Place®:

- The roof project over the Exhibit halls started October 10, 2022.
- The Lighting controls and Lighting project are under way at DeVos Place. This is the start of a project delayed for 3 year as a result of supply chain disruptions.
- The parking ramp at DeVos was power washed and restriped.
- New Skywalk, wayfinding signage has been installed after 10 years of planning by the Downtown Development Authority (DDA)

ArtPrize 2022

- Artist-to-Artist Award winner - Brad and Bryan Caviness' *"Creation, Destruction, Reflection"*



- Visitor Favorite Awards 2D winner - Florencia Clement de Grandprey
Artista Latino Award - *"In My Eyes"*



- Juried Awards 2D winner - Harold Allen ArtPrize *"For Dorothy Afro Harping"*



- Asian Art Award - Stacie Tamaki *"Sold to Slaughter"*



MARKETING

Event & Venue Messaging

- With live events back in full swing, the marketing department is continually and consistently communicating protocols and procedures through ongoing communications with the community and, more directly, with ticket holders for each upcoming event.
- We are working with our tenants - the Grand Rapids Griffins, the Grand Rapids Gold, Broadway Grand Rapids, Grand Rapids Ballet, Grand Rapids Symphony and Opera Grand Rapids – to ensure consistent messaging and assist in communications with their ticket holders.
- Communication methods includes signage, press releases, website content, social media content, videos, graphics and more. Perhaps our most effective tool is the “Know Before You Go” e-blast to ticket holders in advance of each event.
- Protocols and procedures communicated include bag policies, mobile ticketing, cashless concessions/DoorDash mobile ordering, security screening, photo policies and more. Additional information is also provided, such as construction updates, parking information and entry times.
- As the live event industry continues to rebound, we are working with event promoters on new event announcements on a regular basis and consistently see announcements each week. We promote the announcement, presale and on sale through e-mail blasts, press releases, social media, website inclusion and more, and also work with promoters on advertising and promotions based on each event’s needs.

ASM Global Synergy

- Van Andel Arena, DeVos Place and DeVos performance Hall are participating in the new ASM Global initiative called ASM Global Acts. The program focuses on Sustainability, Community Involvement and Diversity, Equity and Inclusion.
- We participate in monthly video conference calls with ASM Global marketing personnel from other venues to discuss strategy, ideas, and support.
- ASM Global provides video conference calls periodically for current topics such as social media and Ticketmaster new technology.
- ASM Global *VenueShield*: We are cleaning and sanitizing the venues and implementing protocols in accordance with the most advanced hygienic safeguards as recommended by leading medical professionals, industry experts and public health officials through ASM Global's *VenueShield* environmental hygiene program. *VenueShield*, a comprehensive and best-in-class program, is being deployed worldwide at more than 350 ASM Global facilities in alignment with approvals from local government officials and health care experts. We are using *VenueShield* protocols to prepare the facilities for events in accordance with state, county, and city guidelines.

Community Involvement

- Local vendors Grand Rapids Cookie Co. and BN Designs provided custom cookies and centerpieces for the June 13 VIP Preview Party for Beyond Van Gogh at DeVos Place.
- We partnered with local painting studio Brush Studio to host painting classes during Wednesday evenings of the Beyond Van Gogh exhibit. Tickets included the painting class and entry into the exhibit.
- Van Andel Arena participated in the Meet the Machines events at the Downtown Market on June 14 and July 19 where a Zamboni was on display for kids and families to see up close.
- A group of theater technology students from Belding High School came for a tour of DeVos Performance Hall on June 16. The students were able to see behind the scenes of a professional theater space and learned about technical career opportunities in the industry.
- On August 8, a group of elementary students from Discovery Days Learning Center took a tour of Van Andel Arena as part of their tour around the city to learn more about the community and local businesses.
- During the month of August, ASM Global Grand Rapids partnered with West Michigan Hispanic Center and Berlin Raceway to host a school supply drive to benefit Grand Rapids Public Schools, the Hispanic Center's La Escuelita Pre-School programs, and Cherry Health – Heart of the City Pediatrics. Patrons could donate new, unopened school supplies to enter to win tickets to see Pitbull's "Can't Stop Us Now Tour" at Van Andel Arena on August 30.
- ASM Global Grand Rapids staff got together to participate in the annual Mayors' Grand River Cleanup event that took place Sept. 10-14. The team helped pick up trash along the Grand River by DeVos Place, between the Gillette Bridge and Michigan Street.
- On September 21, Alice Cooper performed at DeVos Performance Hall. In order to enhance our patrons' experience at the show, we partnered with The Haunt to create a Halloween themed lobby, complete with actors and drawings to win tickets to The Haunt. We also partnered with Sweet Details Grand Rapids to create spooky Halloween themed treats for the first 100 patrons to enjoy.
- The Savor Grand Rapids Food & Beverage team at Van Andel Arena partners with local vendors for catering and concessions offerings, including:
 - Mosby's Popcorn
 - Martha's Vineyard
 - Valley City Linen
 - Happy Farms
 - Anu Sushi
 - Van's Pastry Shoppe
 - Little Town Jerky Company
 - Juices by Elaine
 - Big Dream Small Farm
 - Frog Holler
- Hispanic Chamber: We are active members of the West Michigan Hispanic Chamber of Commerce, as we continue to build and maintain relationships in the Latinx Community.

- Heartside Business Association: We are active members of the Heartside Business Association and attend meetings to stay up to date on happenings in the neighborhood.
- Cultural Marketing Group: We are active members of the Cultural Marketing Group, made up of Arts and Cultural institutions in Grand Rapids who work together to support the arts in West Michigan and attend meetings every other month.
- Community Partnerships: We continue to reach out to establish/maintain relationships with community organizations and businesses for cross-promotional opportunities.
 - The downtown Grand Rapids Wahlburgers restaurant is offering a 10% discount to ticketholders for select events at Van Andel Arena.
 - The downtown Residence Inn location is offering a 15% discount to ticketholders for select events at Van Andel Arena.
- Community Inclusion Group (CIG)
 - CAA task force committed to provide insight into the community to create a comfortable *belonging* to our public venues.
 - The CIG meets monthly to discuss strategies for the current and upcoming fiscal year.
 - The CIG hosted a group of local church leaders at the Maverick City Music/Kirk Franklin concert at Van Andel Arena on June 21, 2022.
 - The CIG held its first BIPOC Pop-Up Shop on September 17, 2022, in the Van Andel Arena Alligator Alley and on Oakes Street, in conjunction with the African American Art & Music Festival.

Artist Welcome / Gifts

- As a thank you gift for playing Van Andel Arena and DeVos Performance Hall, we continue to provide donations in each entertainer's name to the non-profit organization of their choice.
- To welcome Brooks & Dunn with special guest John Pardi to Van Andel Arena on May 8, a custom neon sign and belt buckles were created and placed backstage for the artists.
- Van Andel Arena partnered with Premier Skate Shop and Rise bakery to gift Justin Bieber a custom skateboard and vegan cookies for his show date on May 12.
- Van Andel Arena donated a sailboat to The Boys and Girls Club of Grand Rapids. The sailboat was used for the Styx and REO Speedwagon tour backstage set-up during their May 28-31 rehearsals and performance in Grand Rapids.
- For part of the welcome setup for the Lumineers at Van Andel Arena on July 8, plants, local apples, cherries and strawberries were collected and placed in the backstage areas for the artists and tour personnel to enjoy. The plants were then donated to Habitat For Humanity in Grand Rapids so they could be repurposed for housing/landscaping.
- For Pitbull's welcome to Grand Rapids, we visited Rise Bakery, Malamiah Juice Bar, Founders, Dorothy and Tony's Gourmet Popcorn and Berlin Raceway to include local gifts from the area for the tour personnel. Four palm plants were also included in the backstage setup, then donated to the local nonprofit, Gilda's Club Grand Rapids. Additionally, a custom racecar hood and neon sign were created as gifts for Pitbull.
- The Judds performed at Van Andel Arena on September 30. As a welcome to the venue, we provided apples from Ed Dunneback & Girls Farm Market, cider from Hill Bros Orchards & Cider Mill, and pumpkins from Morse Brothers Farms. The decorative pumpkins were donated to The Boys and Girls Club of Grand Rapids after the show.

- We worked with local bakery Le Macaron to provide a custom macaron display to welcome the Carrie Underwood tour to Van Andel Arena on October 18. A custom denim jacket for Carrie's dog, Penny, was also gifted to Ms. Underwood.

Promoter/Client Gifts

As part of our ongoing efforts to build and maintain relationships with promoters and clients, we prepared and sent gifts to select contacts for special occasions, including:

- Season kick-off gift baskets to the Grand Rapids Griffins, Grand Rapids Gold, Broadway Grand Rapids, Grand Rapids Ballet, Grand Rapids Symphony and Opera Grand Rapids.
- The venues donated \$2,500 to Kids' Food Basket in June on behalf of the Pollstar Impact 50 to recognize the hard work and dedication of the professionals recognized by this industry trade magazine.

A baby gift of Grand Rapids and Michigan-based books was sent to Shelby Brawn with *Awakening*

OPERATIONS & SECURITY

- I have been working with ASM Corporate security along with a small group of Security Directors and managers to create a Risk Assessment Tool. When complete the risk assessment tool will be used during the booking process. The tool will look at outside influences that could affect event risks such as, Terrorism, Disorder and public safety issues, protests, asset protection and medical risks. When complete this will be used in all venue types (Stadiums/Arenas, Convention Centers, Theaters) to assess each prospective event that is looking to book into these venues. The goal is to allow booking managers and event organizers to identify the hazards and assess the risks to minimize the potential for injury or harm to any person or property. Hoping to roll this out at the beginning of 2023 as an online application.
- We are also working on our Incident Reporting process and procedures. Currently an officer responding follows these procedures:
 - Assess the situation
 - Call for backup if needed
 - Identify the parties
 - Remove the instigators
 - Assist the injured
 - Investigate/collect information

By moving to a digital form of reporting this will allow the responding officer(s) to immediately start the investigating and information collection upon arrival at the scene.

Officers will be able to insert notes, interviews, photos, or videos directly from the scene. The most common incidents that occur within our venues:

- Slip/Trip and Fall
 - Verbal altercations
 - Ejections
 - Medical incidents or injury
 - Property Damage/Theft
-
- Arena Operations: The 2022/23 AHL Hockey Season has just kicked off. The G-League starts up in early November for the teams' first season at Van Andel Arena. The Arena basketball court was refinished with Grand Rapids Gold colors, logos and sponsors.
 - DeVos Place/Performance Hall Operations: Events along with Artprize had the venue very busy to start the fall season. Operationally we focus on upkeep and conversions this time of year with very tight windows between events.
 - As part of the VenueShield program, ASM Global and Clorox have created a partnership to make Clorox the preferred supplier of several disinfection products. ASM Grand Rapids was part of a group of Tier 1 venues chosen to roll out the program. The Products that will be used provided by Clorox include 360 disinfecting spray, hand sanitizer stations and disinfecting wipes. These products are all sourced from a local vendor.
 - Staffing has been much better overall since my last report. Security, front of house staff and Stagehands have been able to provide full calls for the most part. Concessions and back of house still have some struggles but are continuing to improve.

FACILITIES

Van Andel Arena®:

- We are current on all training classes and up to date on all Best Practice Policies.
- Completed the installation of a new Water tank in for our cooling tower
- We completed the Refrigerant Change over on the ice plant due to R22 slowly becoming obsolete
- We replaced the original Coil on the Cooling tower for the Ice Plant
- We have filled the 1 open position at VAA left vacant by Kevin Meyer retiring after 26 years
- We sent 4 guys, 2 from Operations and 2 from Maintenance to the Ice training class offered by ASM.

DeVos Place®:

- We have started a 3-year project to put new lighting Controls and LED lights throughout DeVos,

- In the process of updating the sound system in the Meeting Rooms and Ballrooms at DeVos.
- We have been focusing on cleaning the building top to bottom.
- We are in the process of putting in a new Trench Drain at the bottom of the Michigan Street Ramp by Dock 5
- We have started the Roof Replacement on the North End of DeVos
- We are current on all training classes and up to date on all Best Practice Policies.
- We have filled 3 spots at DeVos getting the Maintenance Department close to full staff