# GRAND RAPIDS-KENT COUNTY

# Agenda

# **Finance Committee**

Friday, August 25, 2023 8:00 a.m. Kent County Administration Building 300 Monroe, NW • Grand Rapids, MI 49503

1.	Call to Order	Jay Preston
2.	Welcome New Committee Member Krista Flynn, Midwest Regional Executive of Commercial Banking for PNC Bank	Jay Preston
3.	Minutes of May 5, 2023	Action
4.	Consolidated Financial Statements for the Periods Ending June 30, 2023, and July 31, 2023	Action
5.	ASM Global Financial Statements for Periods Ending June 30, 2023, and July 31, 2023 - DeVos Place® and Van Andel Arena®	Action
6.	Auto Parking System Periodic Reporting	Information
7.	Director & Officer Insurance Renewal	Action
8.	Resolution Approving and Authorizing Execution of Addendum IV to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement with Amway Hotel Corporation	Action
9.	Amphitheater Land Sale Update	Information
10.	Cash Management and Investment Policy Update	Information
11.	ASM Global Report and Calendar Update	Rich MacKeigan
12.	ASM Global Self-Assessment	November/May

- 13. Public Comment
- 14. Adjournment

# Please note that 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.

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# Krista Flynn

Midwest Regional Executive, Commercial Banking PNC Bank

# **CURRENT FOCUS**

Krista Flynn is the Midwest Regional Executive of Commercial Banking for PNC Bank. She focuses on leading her teams in excellence, to provide financial solutions to businesses across the lower Middle Market space.

# **PROFESSIONAL BACKGROUND**

She has over 25 years of experience in the financial industry, including President of West Michigan for Huntington Bank and its predecessors; Commercial Banking Market Leader at PNC Bank; and various positions at JPMorgan Chase and its predecessor banks, including roles in Middle Market, Capital Markets, Automotive Specialty Group, and Credit.

Krista is on the Boards of The Grand Rapids Chamber of Commerce, Grand Action 2.0, and K-Connect. She also volunteers and supports Kids' Food Basket, the Association for Corporate Growth Western Michigan, and Heart of West Michigan United Way.

# EDUCATION/PERSONAL

Krista holds a B.B.A. in Finance from the University of Michigan and an M.S. in Finance from Walsh College. She has been honored as one of West Michigan's 50 Most Influential Women, the 200 Most Powerful Leaders in West Michigan, and a finalist for the Deal of the Year Award in Finance (2019) and the Woman of the Year (2022 Brilliance Awards).

# MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY FINANCE COMMITTEE 300 MONROE AVENUE, NW | GRAND RAPIDS, MI FRIDAY, MAY 5, 2023

# Attendance:

Members Present:	Jay Preston, Chairperson Mandy Bolter Lew Chamberlin Tricia Chapman Jeff Dood Jill Ferris Robert Herr Birgit Klohs Marvin Van Nortwick Mike Verhulst Jana Wallace Richard Winn	
Members Absent:	Rosalynn Bliss M. Scott Bowen Joe Jones	
Staff/Others:	Andrea Anderson Kate Berens Tom Burke Trey Conner Scott Gorsline Tim Gortsema Jen Henkel Mark Hodges Hayden Johnson Deandre Jones Lindsey Katerberg Chris Machuta Peter MacGregor Rich MacKeigan Cheri McConomy Brian McVicar Jackie Morse Steve Orchard John Rizer Josh Roskamp Doug Small Don Stover Eddie Tadlock Brad Thomas John Van Houten Al Vanderberg Susan Waddell John Weiss Jessica Wood	City of Grand Rapids City of Grand Rapids IATSE Local 26 Grand Rapids Gold DP Fox Grand Rapids Griffins ASM Global Grand Rapids Comic Con ASM Global Jump Ahead L3C IATSE Local 26 ASM Global Kent County ASM Global McConomy Properties, LLC <i>The Grand Rapids Press/MLive</i> ASM Global Kent County Progressive AE IATSE Local 26 Experience Grand Rapids IATSE Local 26 ASM Global Progressive AE Progressive AE Progressive AE Progressive AE Kent County CAA Dickinson Wright

# 1. Call to Order

Chairperson, Jay Preston, called the meeting to order at 8:05 a.m.

# 2. Welcome & Introduce New Committee Member

Chair Preston introduced a new Committee member, Tricia Chapman, Administrative Officer II – Fiscal Services, City of Grand Rapids. Ms. Chapman will be a welcome addition to the Committee's proceedings.

# 3. Minutes of Prior Meetings

Motion by Ms. Wallace, support by Ms. Bolter, to approve the February 3, 2023, Minutes, as corrected. Motion carried.

# 4. Consolidated Financial Statement for the Period Ending March 31, 2023

Cheri McConomy and Chris Machuta presented the financial statement for the period ending March 31, 2023, that included the third quarter roll. The Van Andel Arena® concluded the first three months of the fiscal year well ahead of budget, and forecast has the facility ending the fiscal year over \$1 million ahead of the original budget. DeVos Place® concluded the third quarter of the fiscal year well ahead of budget. Stronger than anticipated attendance for consumer shows and continued strong sales for theater events have expectations of a loss under \$300K for the fiscal year. The management fee summary projected that ASM will receive an incentive fee for FY 2023.

Motion by Mr. Winn, support by Ms. Wallace, to recommend CAA Board acceptance of the March 31, 2023, Consolidated Financial Statements. Motion carried.

# 5. ASM Global Financial Statements for Period Ending March 31, 2023-DeVos Place® and Van Andel Arena®

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

# 6. Preliminary Review of FY 2024 Budgets

Cheri McConomy and Chris Machuta presented the preliminary FY 2024 budgets. The Arena will host fewer concerts; however, the total number of events should remain consistent while the ancillary income impact will be lower. DeVos Place<sup>®</sup> events will run at full capacity, and convention activity is expected to run close to pre-pandemic levels. Theater activity will show an increase, led by Broadway Grand Rapids and the Grand Rapids Symphony having July performances outside of the traditional arts group season. Table D organizes the revenues and expenses by facility, incorporating parking revenues and expenses for pedestrian safety. Table A provides a summary of the ASM budget documents. Based on ASM's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$2.116 M. Funding, requested for FY 2024, would generate a net operating income of \$718K. Table B provides a summary of the CAA's administrative budget. Revenues include transfers from ASM, parking, interest, and miscellaneous contributions to the organization. Expenses include utilities, capital projects, parking management, landscaping, and other administrative expenses. The proposed capital spending totals \$6.089 million that will be supported by net operating income, interest earnings, and a drawdown from capital reserve. Major projects at DeVos Place® include ballroom lighting and controls, chiller rebuild, theater soundboard, and parking control equipment. Projects at the Arena include video/scoreboard, floor seating replacement, a new Zamboni, and fencing around the dock area. The

CAA Board will act on the FY 2024 budgets at its June 2, 2023, meeting. Please direct any questions to Rich MacKeigan, Cheri McConomy, or Chris Machuta.

# 7. Preliminary Review of 2024-2028 DeVos Place® Rate Sheets

Mr. MacKeigan presented ASM's five-year rate sheet recommendations, effective July 2024 through June 2028. Each year as part of the budget process, AMS develops the rate cards to have the opportunity to guarantee rental rates to potential clients. The first four years have been approved and ASM will be looking for a recommendation to approve the fifth year of rates, at the meeting in June.

# 8. 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.

# 9. Independent Contractor/Consultant Agreement with McConomy Properties, LLC

Mr. MacKeigan recommended approval of an agreement with Cheri McConomy to provide enhanced accounting, bookkeeping, budgeting, contract monitoring, and related services. The rate would be \$160/hour for an 18-month term, commencing January 1, 2023, continuing through June 30, 2024, to align with the CAA's fiscal year.

Motion by Ms. Klohs, supported by Mr. Herr, to recommend CAA Board approval of the Independent Contractor/Consultant Agreement with McConomy Properties, LLC. Motion carried.

# 10. DeVos Place® Parking Operation Agreement

The current operating agreement, dated July 1, 2020, expires June 30, 2023. The CAA and the City of Grand Rapids desire to enter into an agreement setting forth the terms and conditions for the continued operations of the parking spaces and the basis for providing parking spaces to the City and Kent County.

Motion by Ms. Wallace, supported by Mr. Herr, to recommend CAA Board approval of the DeVos Place® Parking Operation Agreement. Motion carried.

# 11. Resolution Approving and Authorizing Execution of Memorandum of Understanding Relating to Amphitheater Construction Cost Reimbursement

The CAA and Grand Action Foundation (GA2.0) have worked together toward the development, funding, and construction of a public outdoor amphitheater, and the CAA has agreed to reimburse GA2.0 for the design and construction costs.

Motion by Ms. Klohs, supported by Ms. Wallace, to recommend CAA Board approval of the Resolution Approving and Authorizing Execution of Memorandum of Understanding Relating to Amphitheater Construction Cost Reimbursement. Motion carried.

# 12. Cash Management and Investment Policy Update

Chair Preston stated that the Committee will be undertaking a review of the CAA investment policy. The CAA has the bulk of its investments in the Kent County Pooled Investment Account. Considering the recent Silicon Valley Bank failure, Chair Preston invited Kent County Treasurer, Peter MacGregor, and

Deputy County Treasurer, Steven Orchard, to address the CAA about the County's fiduciary responsibilities. Mr. MacGregor assured the CAA that the County's number one goal is to safeguard public funds and provide the least risk possible. The County's investment vehicles are extremely conservative, and the County is bound by law to minimize risk, diversify portfolios, and invest with banks located in the state of Michigan only. Mr. MacGregor offered to assist with the CAA's investment policy update.

# 13. Self-Assessment by ASM Global

The ASM self-assessment is provided each November and May as an information item that provides statistics, events, and activities of each department.

# 14. ASM Global Report and Facilities Calendars

Mr. MacKeigan provided the event schedule through December 31, 2023. The calendars at all three venues continue to be strong and more on-sales will be announced. Mr. MacKeigan will be travelling for the next few weeks to promoter and corporate meetings.

# 15. Public Comment

Deandre Jones, Jump Ahead L3C, is bringing e-sporting events to Grand Rapids to create economic growth for underserved communities. Jump Ahead L3C was founded to empower and educate young adults in the Grand Rapids area.

Tom Burke of IATSE Local 26 spoke on behalf of the skilled labor who do the heavy lifting to put on the shows. Parking rates have become an issue especially when an employee works a split shift and must pay twice. Safety is an issue, as well, since public transportation does not run at 2:00 a.m. The workers are looking for some sort of relief.

# 16. Adjournment

The meeting was adjourned at 9:00 a.m.



# Consolidated Financial Report June 30, 2023

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# Financial Dashboard Year-To-Date (12 Months) June 30, 2023

			Van A	ndel Arena®						
			All Events					Concert		
	F	rior Year	Budget	Actual	Р	rior Year		Budget		Actual
Events		109	85	122		35		28		25
Attendance		616,604	556,500	684,253		256,581		226,000		215,271
Event Income	\$	7,934,764	<b>\$ 6,610,143</b>	\$ 9,249,244	\$	3,711,810	\$	2,815,409	\$	3,738,381
			DeV	os Place®						
			All Events		Convention/Trade					
	Р	rior Year	Budget	Actual	P	rior Year		Budget		Actual
Events		410	362	458		<b>98</b>		185		146
Attendance		444,428	557,210	597,700		76,055		209,620		139,199
Event Income	\$	6,202,108	\$ 6,229,122	<mark>\$ 8,096,546</mark>	\$	1,511,042	\$	3,280,914	\$	2,525,555
					P	rior Year		Budget		Actual
	Opera	ting Income (Los	s)		\$	13,713,251	\$	1,127,757	\$	5,037,264
	Capita	l/Repair/Replace	ment			(1,051,672)		(4,020,529)		(4,101,429

#### **\*NOTES:**

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

Net - To/(From) on Fund Balance

12,661,579

\$

(2,892,772)

\$

\$

(1)

935,835

Summary by Facility/Other

Fiscal Year Ending June 30, 2023

	FY 2023								
	7/1/22 - 6/30/23								
	Year-to-Date Roll		<b>Estimate</b> <sup>(1)</sup>	Budget					
Van Andel Arena									
Operating - Revenues	\$ 9,249,244	\$ -	\$ 9,249,244	\$ 6,642,366					
- Expenses - Facilities	(5,391,190)	2,744	(5,388,446)	(4,858,170)					
- Base Management Fees	(188,576)	(2,745)	(191,321)	(191,321)					
- Incentive Fee	-	(205,695)	(205,695)	-					
Net Operating Income (Loss)	3,669,478	(205,696)	3,463,782	1,592,875					
Parking	383,002	(5,550)	377,452	387,830					
Pedestrian Safety	(67,452)	2,452	(65,000)	(65,000)					
Net Proceeds (Cost) of VAA	3,985,028	(208,794)	3,776,234	1,915,705					
<b>DeVos Place Convention Center</b>									
Operating - Revenues	8,096,546	-	8,096,546	6,229,122					
- Expenses - Facilities	(7,911,327)	55	(7,911,272)	(7,086,270)					
- Base Management Fees	(191,267)	(54)	(191,321)	(191,321)					
- Incentive Fee	-	(192,688)	(192,688)	-					
Net Operating Income (Loss)	(6,048)	(192,687)	(198,735)	(1,048,469)					
Parking	1,427,969	(43,209)	1,384,760	1,254,921					
Pedestrian Safety	-	(36,000)	(36,000)	(36,000)					
Net Proceeds (Cost) of DVP	1,421,921	(271,896)	1,150,025	170,452					
Other									
Revenues	559,771	(71,771)	488,000	168,000					
Expenses	(929,456)	(164,684)	(1,094,140)	(1,094,140)					
Net Other	(369,685)	(236,455)	(606,140)	(926,140)					
Total Net Proceeds/Operating	5,037,264	(717,145)	4,320,119	1,160,017					
Capital/Repair Expenditures	(4,101,429)	_	(4,101,429)	(6,079,000)					
Results Net of Capital/Repair Expenditures	\$ 935,835	\$ (717,145)	\$ <b>218,690</b> <sup>(3)</sup>	\$ (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 (\$1,097,000) pulled forward from FY24 & FY25

(3) At fiscal year end, estimated Unrestricted Fund Balance will total approximately \$27,812,515

#### Administrative - Operating / Capital Replacement Budget

I	FY 2023 Budge	et			
		Actual		Appropriation	Requested
FY 2023 Eligible Projects:	Budget	7/1/22-6/30/23	Roll	Lapse	Carryover
Van Andel Arena®					
Suite Refresher	350,000				350,000
Ice Plant Refrigeration Change	90,000	\$ 64,775		25,225	
FY2024 Ice Plant Compressor Change	-	169,121		(169,121)	(4)
Trash Compactor	50,000			50,000	/
New Condensor Coil	185,000	193,896		(8,896)	
Custom Air Handler Damper Replacement Total VAA	110,000 <b>785,000</b>	<u>114,522</u> <b>542,314</b>	-	(4,522) (107,314)	350,000
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) 1,365,712		106,288	
Performance Hall Seating	350,000	2,550			347,450
Theater Box Seats	50,000	2,525			47,475
Ballroom Lighting & Controls	2,100,000	1,737,703			362,297
Trash Compactor	50,000			50,000	
Total DVP	4,322,000	3,108,490	-	156,288	1,057,222
Both Venues					
Radio System Upgrade	100,000				100,000
Small Motor Equipment	60,000	40,662			19,338
Computers and Accessories	150,000	137,322		12,678	
X-Ray Inspection Systems Total Both Venues	33,100 343,100	33,100 211,085		12,678	119,338
Carryover (FY20& FY22) Projects					
OVP         New Sound System	183,788	184,700		(912)	
VAA Cooling Tower/Condenser Coil	30,000	- ,		30,000	
/AA Wireless Communication Devices	45,000	54,840		(9,840)	
VAA Suite Refresher	370,112	-		· · /	370,112
Total Carryover	628,900	(1) 239,540	-	19,248	370,112
Fotal FY 2023 Capital Budget	\$ 6,079,000	\$ 4,101,429	\$-	\$ 80,900	\$1,896,671

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 included a request to pull-forward \$1,097,000 for project work previously planned for FY24 and FY25 - see memo dated 9/30/22.

(3) Due to supply chain issues, some FY2023 capital repair/replacement projects have been delayed - see memo dated 5/30/23 for request to carryover \$1,415,036 to FY2024. Remaining carryover of \$481,635 requested in conjunction with July 2023 monthly consolidated financial statement presentation.

(4) FY2024 budgeted ice compressor project accelerated (due to equipment failure) to be prepared for early July event. Other FY2023 appropriation lapses utilized to cover expense.

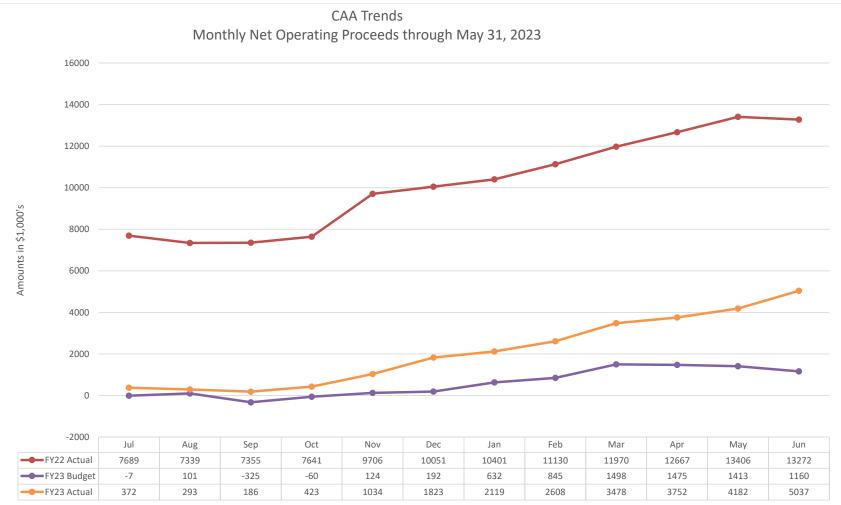
**Budget Summary by Facility/Other** 

Financial Trends for Year Ending June 30, 2023

		Annual			Year-To-Date	
	FY 2022 Final (Audited)	FY 2023 Budget	Change Positive (Negative)	FY 2022 7/1/21-6/30/22	FY 2023 7/1/22-6/30/23	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 7,934,764	\$ 6,642,366	-16.3%	\$ 7,934,764	\$ 9,249,244	16.6%
- Expenses - Facilities	(4,108,004)	(4,858,170)	-18.3%	(4,108,004)	(5,391,190)	31.2%
- Base Management Fees	(185,746)	(191,321)	-3.0%	(185,746)	(188,576)	1.5%
- Incentive Fee	(240,472)			(240,472)		-
Net Operating Income (Loss)	3,400,542	1,592,875	53.2%	3,400,542	3,669,478	7.9%
Parking	371,385	387,830	4.4%	371,385	383,002	3.1%
Pedestrian Safety	(95,620)	(65,000)	-100.0%	(95,620)	(67,452)	-29.5%
Net Proceeds (Cost) of VAA	3,676,307	1,915,705	-91.9%	3,676,307	3,985,028	8.4%
DeVos Place Convention Center						
Operating - Revenues	6,202,108	6,229,122	0.4%	6,202,108	8,096,546	30.5%
- Expenses - Facilities	(6,644,386)	(7,086,270)	-6.7%	(6,644,386)	(7,911,327)	19.1%
- Base Management Fees	(185,749)	(191,321)	-3.0%	(185,749)	(191,267)	3.0%
- Incentive Fee	(131,025)	(1)1,521)	-	(131,025)	(1)1,207)	0.0%
Net Operating Income (Loss)	(759,052)	(1,048,469)	-38.1%	(759,052)	(6,048)	99.2%
Parking	1,071,815	1,254,921	17.1%	1,071,815	1,427,969	33.2%
Pedestrian Safety	(29,512)	(36,000)	22.0%	(29,512)		-100.0%
Net Proceeds (Cost) of DVP	283,251	170,452	-66.2%	283,251	1,421,921	-402.0%
Other						
Revenues	10,624,750	168,000	-98.4%	10,624,750	559,771	-94.7%
Expenses	(871,057)	(1,094,140)	-25.6%	(871,057)	(929,456)	6.7%
Net Other	9,753,693	(926,140)	-81.0%	9,753,693	(369,685)	-103.8%
Total Net Proceeds/Operating	13,713,251	1,160,017	78.0%	13,713,251	5,037,264	-63.3%
¥ Ŭ						
Capital/Repair Expenditures	(1,051,672)	(6,079,000)	52.0%	(1,051,672)	(4,101,429)	-290.0%
<b>Results Net of Capital Expenditures</b>	\$ 12,661,579	\$ (4,918,983)	71.0%	\$ 12,661,579	\$ 935,835	-92.6%

NOTES: Combined net operating income of VAA & DVP is just under \$295k improvement over same point prior fiscal year.

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Accumulative Net Proceeds by Month

# Grand Rapids-Kent County Convention/Arena Authority Administrative Accounts Net Other Detail June 30, 2023

		Annual		Actual					
	FY 2022 Final (Audited)	FY 2023 Budget	Change Positive (Negative)	FY 2022 7/1/21-6/30/22	FY 2023 7/1/22-6/30/23	Change Positive (Negative)			
Other									
Revenues									
Interest/Capital Contr.	\$ 144,201	\$ 100,000	-30.7%	\$ 144,201	\$ 533,495 <sup>(2)</sup>	270.0%			
Miscellaneous	10,480,549	68,000	-99.4%	10,480,549	26,276	-99.7%			
	10,624,750	168,000	-98.4%	10,624,750	559,771	-94.7%			
Expenses					,				
Arena 25-Year Recognition/New									
Venue Awareness	39,626	100,000	-100.0%	39,626	42,412	-7.0%			
Marketing (CVB/Sports)	200,000	200,000	0.0%	200,000	200,000	0.0%			
Diversity Initiative	9,817	200,000	-1937.3%	9,817	96,190	-879.8%			
Wages/Benefits	147,035	111,800	24.0%	147,035	90,841	38.2%			
Professional Services	167,381	135,570	19.0%	167,381	145,776	12.9%			
DID Assessment	63,806	65,720	-3.0%	63,806	66,646	-4.5%			
Food & Beverage Repairs	-	45,000	-100.0%	-	46,042	0%			
Consulting Services	132,561	143,165 <sup>(1)</sup>	-8.0%	132,561	135,857 <sup>(3)</sup>	-2.5%			
Landscaping	25,909	27,810	-7.3%	25,909	36,130	-39.4%			
Procurement of Art	25,958	30,000	-100.0%	25,958	25,283	2.6%			
Insurance	19,392	25,075	-29.3%	19,392	25,542	-31.7%			
Supplies/Other	39,572	10,000	74.7%	39,572	18,736	52.7%			
	871,057	1,094,140	-25.6%	871,057	929,456	-6.7%			
Net Proceeds - Operating	\$ 9,753,693	\$ (926,140)	109.5%	\$ 9,753,693	\$ (369,685)	-103.8%			

Notes:

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

<sup>(2)</sup> Excludes \$15M first installment received from MEDC for Amphitheater project

# Grand Rapids-Kent County Convention/Arena Authority Special Accounts Downtown Amphitheater Project Grant Period: 10/1/22 to 12/31/26 Revenues/Expenses June 30, 2023

# Michigan Economic Development Corporation Grant

	Budget	Receipts / Expenditures		
Revenues:				
State Grant	\$ 30,000,000	\$	15,000,000	
Expenses:				
Architecture and Construction costs	(30,000,000)			
Paid in May, 2023			(775,899)	
Paid in June, 2023			(621,949)	
Deferred Revenue Balance @ 6/30/23	\$ -	\$	14,224,101	

# NOTES:

- Grant Agreement Signed February 9, 2023
- First installment of \$15M received and deposited @ LMCU 3/7/23 (deferred revenue recognized as costs incurred)
- CAA Board Memorandum of Understanding with Grand Action Foundation 2.0 (GA2.0) for reimbursement of Amphitheater architecture and construction costs approved by CAA BOD 5/5/23
- \$13M of grant proceeds transferred to County Investment Pool 5/5/23
- GA2.0 invoice for architecture and construction costs incurred 10/1/22 3/31/23 paid 5/31/23
- GA2.0 invoice for architecture and construction costs incurred 4/1/23 5/31/23 received 6/15/23
- Timing Limitation All Grant Funds Must Be Spent on or Before 12/31/2026



Consolidated Financial Report July 31, 2023

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# Financial Dashboard Year-To-Date (1 Month) July 31, 2023

				Van A	ndel 4	Arena®						
			All E	vents						Concert		
	P	rior Year	_	Budget		Actual	P	rior Year		Budget		Actual
Events		5		4		5		3		3		4
Attendance		37,279		29,000		39,071		25,908		24,000		38,072
Event Income	\$	763,750	\$	517,589	\$	1,017,733	\$	390,144	\$	304,980	\$	790,989
				DA	7 <b>D</b> I							
			All E		OS PI	ace®			Con	vention/Trade		
	D	rior Year		Budget		Actual		rior Year		Budget		Actual
Events		<u>28</u>		<u>Suuget</u>		Actual 35		18		21		Actual 14
Attendance		27,435		36,050		39,097		20,950		6,050		3,930
Event Income	\$	399,476	\$	475,219	\$	<u>686,446</u>	\$	258,814	¢	220,077	¢	208,719
L'vent filcome	φ	377,470	φ	4/3,217	ዋ	000,440	ዋ	230,014	φ	220,077	ዋ	200,719
							P	rior Year		Budget		Actual
	Operat	ting Income (Los	s)				Pi \$	rior Year 367,157	\$	Budget (143,511)	\$	Actual 697,455
		ting Income (Los I/Repair/Replace	· ·				_			e e	\$	

#### **\*NOTES:**

(1) Unrestricted Fund Balance - 6/30/23 \$27,812,515

Estimated

Summary by Facility/Other

Fiscal Year Ending June 30, 2024

	FY 2024								
	7/1/23 - 6/30/24								
	Year-to-Date	Roll	<b>Estimate</b> <sup>(1)</sup>	Budget					
Van Andel Arena									
Operating - Revenues	\$ 1,017,733	\$ 6,088,442	\$ 7,106,175	\$ 7,106,175					
- Expenses - Facilities	(453,626)	(4,704,256)	(5,157,882)	(5,157,882)					
- Base Management Fees	(16,422)	(180,639)	(197,061)	(197,061)					
- Incentive Fee	-	(93,069)	(93,069)	(93,069)					
Net Operating Income (Loss)	547,685	1,110,478	1,658,163	1,658,163					
Parking	41,562	342,938	384,500	384,500					
Pedestrian Safety	(27,715)	(42,285)	(70,000)	(70,000)					
Net Proceeds (Cost) of VAA	561,532	1,411,131	1,972,663	1,972,663					
<b>DeVos Place Convention Center</b>									
Operating - Revenues	686,446	7,297,291	7,983,737	7,983,737					
- Expenses - Facilities	(562,395)	(7,230,801)	(7,793,196)	(7,793,196)					
- Base Management Fees	(16,422)	(180,639)	(197,061)	(197,061)					
- Incentive Fee	-	(301,053)	(301,053)	(301,053)					
Net Operating Income (Loss)	107,629	(415,202)	(307,573)	(307,573)					
Parking	105,406	1,583,614	1,689,020	1,689,020					
Pedestrian Safety	-	-	-	-					
Net Proceeds (Cost) of DVP	213,035	1,168,412	1,381,447	1,381,447					
Other									
Revenues	116,158	521,592	637,750	637,750					
Expenses	(193,270)	(1,086,413)	(1,279,683)	(1,279,683)					
Net Other	(77,112)	(564,821)	(641,933)	(641,933)					
Total Net Proceeds/Operating	697,455	2,014,722	2,712,177	2,712,177					
Capital/Repair Expenditures	(203,167)	(8,307,505)	(8,510,672)	(8,510,672)					
Results Net of Capital/Repair Expenditures	\$ 494,288	\$ (6,292,783)	\$ (5,798,495) <sup>(3)</sup>						

Notes:

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

(2) Includes approved budget amendment to provide for three capital project balances (\$481,635) carried over from FY23

(3) At fiscal year end, estimated Unrestricted Fund Balance will total approximately \$22,014,020

	Administrative - Ope	rating / Capita FY 2024 Budge		placement Bu	ıdget			
		1 2024 Duug		Actual			Appropriation	Requested
FY 202	23 Eligible Projects:	Budget	7/	1/23-6/30/24	Rol	l	Lapse	Carryover
Von Ar	ndel Arena®							
v all Al	Emergency Exit Door Replacement	95,000						
	Ice Plant Compressor Change	190,000	ş	6 4,170				
	Video/Scoreboard	1,200,000	4	4,170				
	Fencing	150,000						
	Zamboni	150,000						
	Floor Seating Replacement	290,000						
	New Storage Room (Sports Tenants)	400,000						
	Air Handler Motor Refurbishment	50,000	_					
	Total VAA	2,525,000		4,170		-	-	-
DeVos	Place®							
	Parking Control Equipment & Software	254,000						
	Grand Gallery Beam Detector	50,000						
	Chiller Rebuild	300,000						
	Michigan Street Dock Doors	100,000						
	Fiber/Switch Upgrades & Replacement	160,000						
	Performance Hall Sound Board	250,000						
	Skywalk Carpeting	150,000						
	Convention Center Public Space Furniture	95,000						
	Ballroom Lighting & Controls	2,100,000						
	Performance Hall Seating/Box Seating							
	Additional Needs	30,000						
	Total DVP	3,489,000		-		-	-	-
Both V	enues							
	Concrete	100,000						
	Surveillance	500,000						
	Total Both Venues	600,000		-		-	-	
Carryo	over Projects							
Both	Radio System Upgrade	100,000	(1)					
Both	Small Motor Equipment	19,338		10,765				
DVP	Ballroom Lighting & Controls	362,297		188,233				
DVP	Projection Theater Upgrades	250,000						
DVP	Performance Hall LED	50,000						
DVP	Performance Hall Seating	347,450						
DVP	Performance Hall Box Seating	47,475						
VAA	Suite Refresher	720,112						
	Total Carryover	1,896,672		198,997		-	-	-
Total F	- FY 2023 Capital Budget	\$ 8,510,672		\$ 203,167	\$	-	\$-	\$ -
	= outrus zuagot =	- 0,010,072	_		Ψ		*	Ψ

Note: The FY2024 budget, as adopted, included \$8,029,037 for capital repair/replacement projects

(1) This July monthly financial report includes a request to re-appropriate a total of \$481,635 for previous year projects that could not be completed for supply issues

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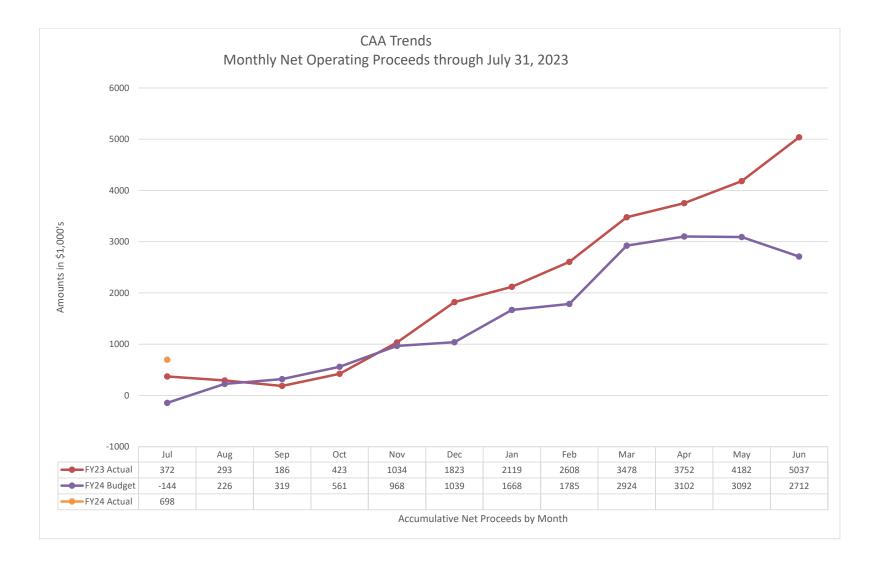
# Budget Summary by Facility/Other

Financial Trends for Year Ending June 30, 2024

	Annual			Year-To-Date		
	FY 2023 Unaudited	FY 2024 Budget	Change Positive (Negative)	FY 2023 7/1/22-6/30/23	FY 2024 7/1/23-6/30/24	Change Positive (Negative)
Van Andel Arena						
Operating - Revenues	\$ 9,249,244	\$ 7,106,175	-23.2%	\$ 763,750	\$ 1,017,733	33.3%
- Expenses - Facilities	(5,391,190)	(5,157,882)	4.3%	(360,400)	(453,626)	25.9%
- Base Management Fees	(188,576)	(197,061)	-4.5%	(15,029)	(16,422)	9.3%
- Incentive Fee		(93,069)				
Net Operating Income (Loss)	3,669,478	1,658,163	54.8%	388,321	547,685	41.0%
Parking	383,002	384,500	0.4%	32,319	41,562	28.6%
Pedestrian Safety	(67,452)	(70,000)	-100.0%		(27,715)	0.0%
Net Proceeds (Cost) of VAA	3,985,028	1,972,663	-102.0%	420,640	561,532	33.5%
DeVos Place Convention Center						
Operating - Revenues	8,096,546	7,983,737	-1.4%	399,476	686,446	71.8%
- Expenses - Facilities	(7,911,327)	(7,793,196)	1.5%	(397,955)	(562,395)	41.3%
- Base Management Fees	(191,267)	(197,061)	-3.0%	(15,479)	(16,422)	6.1%
- Incentive Fee		(301,053)	-	-	(10, 122)	0.0%
Net Operating Income (Loss)	(6,048)	(307,573)	-4985.5%	(13,958)	107,629	871.1%
Parking	1,427,969	1,689,020	18.3%	84,834	105,406	24.2%
Pedestrian Safety	-		0.0%	-	-	0.0%
Net Proceeds (Cost) of DVP	1,421,921	1,381,447	-2.9%	70,876	213,035	-200.6%
Other						
Revenues	559,771	637,750	13.9%	1,830	116,158	6245.8%
Expenses	(929,456)	(1,279,683)	-37.7%	(126,190)	(193,270)	53.2%
Net Other	(369,685)	(641,933)	-81.0%	(124,360)	(77,112)	-38.0%
Total Net Proceeds/Operating	5,037,264	2,712,177	78.0%	367,157	697,455	90.0%
	(1.101.400)		<b>50</b> 00%			1000 0-1
Capital/Repair Expenditures	(4,101,429)	(8,510,672)	52.0%	(15,274)	(203,167)	-1230.2%
<b>Results Net of Capital Expenditures</b>	\$ 935,835	\$ (5,798,495)	71.0%	\$ 351,883	\$ 494,288	40.5%

NOTES: Combined net operating income of VAA & DVP is just under \$295k improvement over same point prior fiscal year.

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# Grand Rapids-Kent County Convention/Arena Authority Administrative Accounts Net Other Detail July 31, 2023

		Annual			Actual	
	FY 2023 Unaudited	FY 2024 Budget	Change Positive (Negative)	FY 2023 7/1/22-6/30/23	FY 2024 7/1/23-6/30/24	Change Positive (Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 533,495	\$ 569,750	6.8%	\$ 30 (2	<sup>2)</sup> \$ 89,882	294886.2%
Miscellaneous	26,276	68,000	158.8%	1,800	26,276	1359.8%
	559,771	637,750	13.9%	1,830	116,158	6245.8%
Expenses						
Recognition/New Venue						
Awareness	42,412	200,000 (3)	-100.0%	-	154,873	0.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	66,667	-	100.0%
Diversity Initiative	96,190	200,000	-107.9%	17,500	4,159	76.2%
Wages/Benefits	90,841	113,982	-25.5%	4,046	9,358	-131.3%
Professional Services	145,776	139,852	4.1%	3,326	19,250	-478.8%
DID Assessment	66,646	67,692	-1.6%	-	-	0%
Food & Beverage Repairs	46,042	45,000	-100.0%	-	-	0%
Consulting Services	135,857	200,000 (1)	-47.2%	3,000	-	100.0%
Landscaping	36,130	47,615	-31.8%	-	5,611	0%
Procurement of Art	25,283	30,000	-100.0%	25,958	-	100.0%
Insurance	25,542	25,542	0.0%	5,683	-	100.0%
Supplies/Other	18,736	10,000	46.6%	10	20	-100.0%
	929,456	1,279,683	-37.7%	126,190	193,270	-53.2%
Net Proceeds - Operating	\$ (369,685)	\$ (641,933)	-73.6%	\$ (124,360)	\$ (77,112)	-38.0%

Notes:

<sup>(1)</sup> SMG - \$58,880; Potomac Strategic Development - \$36,000; Progressive AE - \$50,000; \$55,120 Hotel Study

<sup>(2)</sup> Excludes \$15M first installment received from MEDC for Amphitheater project

# Grand Rapids-Kent County Convention/Arena Authority Special Accounts Downtown Amphitheater Project Grant Period: 10/1/22 to 12/31/26 Revenues/Expenses July 31, 2023

# Michigan Economic Development Corporation Grant

	Budget	Receipts / Expenditures		
Revenues: State Grant	\$ 30,000,000	\$	15,000,000	
	\$ 50,000,000	Ψ	12,000,000	
Expenses: Architecture and Construction costs	(30,000,000)			
Paid in May, 2023			(775,899)	
Paid in June, 2023			(621,949)	
Deferred Revenue Balance @ 7/31/23	\$ -	\$	14,224,101	

# NOTES:

- Grant Agreement Signed February 9, 2023
- First installment of \$15M received and deposited @ LMCU 3/7/23 (deferred revenue recognized as costs incurred)
- \$13M of grant proceeds transferred to County Investment Pool 5/5/23
- CAA Board Memorandum of Understanding with Grand Action Foundation 2.0 (GA2.0) for reimbursement of Amphitheater architecture and construction costs approved
- GA2.0 invoice for architecture and construction costs incurred 10/1/22 3/31/23 paid 5/31/23
- GA2.0 invoice for architecture and construction costs incurred 4/1/23 5/31/23 received 6/15/23
- Timing Limitation All Grant Funds Must Be Spent on or Before 12/31/2026

# DEVOS PLACE

# **DE VOS PLACE**

# FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

\*\*\*UNAUDITED\*\*\*

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

DIRECT EVENT INCOME       3,505,295       3,431,950       7         ANCILLARY INCOME       3,178,249       3,178,249       2,208,772       9         OTHER EVENT INCOME       1,287,387       1,287,387       538,400       7         TOTAL EVENT REVENUE       7,970,931       -       7,970,931       6,179,122       1,79         TOTAL OTHER REVENUE       125,615       125,615       50,000       7         TOTAL OPERATING REVENUE       8,096,546       -       8,096,546       6,229,122       1,88         INDIRECT EXPENSES       2       287,123       388,109       233,800       296,040       6         FINANCE       287,123       287,123       338,129       287,123       338,129       287,123       338,129       29       212,088       214,546       00       00       212,088       214,546       212,088       214,546       00       00       233,407       2,373,407       1,554,705       1,554,705       1,554,705       1,554,705       1,554,705       1,554,705       1,520,809       88       212,088       214,546       20,809       31,54       35       32,809       232,544       32,554       35,554       506,554       582,879       35       32,982       2,268,651		YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
ATTENDANCE         597,700         597,700         563,920         5           DIRECT EVENT INCOME         3,505,295         3,505,295         3,431,950         7           ANCILLARV INCOME         3,178,249         3,178,249         3,178,249         2,208,772         99           OTHER EVENT INCOME         1,287,387         1,287,387         538,400         7           TOTAL EVENT REVENUE         7,970,931         -         7,970,931         6,179,122         1,79           TOTAL OTHER REVENUE         125,615         125,615         50,000         7           TOTAL OPERATING REVENUE         8,096,546         -         8,096,546         6,229,122         1,80           INDIRECT EXPENSES         EXECUTIVE         233,800         243,800         296,040         6           FINANCE         287,123         287,123         338,129         3         3         3           MARKETING         212,088         212,088         212,088         214,546         6         6           OPERATIONS         1,554,705         1,554,705         1,734,993         14         5           BOX OFFICE         282,982         282,982         321,544         5         5         5           OV	NO. EVENTS	458		458	368	90
ANCILLARY INCOME       3,178,249       3,178,249       2,208,772       90         OTHER EVENT INCOME       1,287,387       538,400       7         TOTAL EVENT REVENUE       7,970,931       -       7,970,931       6,179,122       1,79         TOTAL OPERATING REVENUE       125,615       125,615       50,000       7         TOTAL OPERATING REVENUE       8,096,546       -       8,096,546       6,229,122       1,88         INDIRECT EXPENSES       233,800       233,800       296,040       6         EXECUTIVE       233,800       233,800       296,040       6         FINANCE       287,123       338,129       338,139						33,780
OTHER EVENT INCOME         1,287,387         1,287,387         538,400         7           TOTAL EVENT REVENUE         7,970,931         -         7,970,931         6,179,122         1,79           TOTAL OTHER REVENUE         125,615         125,615         50,000         7           TOTAL OPERATING REVENUE         125,615         50,000         7           TOTAL OPERATING REVENUE         8,096,546         -         8,096,546         6,229,122         1,88           INDIRECT EXPENSES         233,800         233,800         296,040         6           FINANCE         287,123         338,129 <td>DIRECT EVENT INCOME</td> <td>3,505,295</td> <td></td> <td>3,505,295</td> <td>3,431,950</td> <td>73,345</td>	DIRECT EVENT INCOME	3,505,295		3,505,295	3,431,950	73,345
TOTAL EVENT REVENUE       7,970,931       -       7,970,931       6,179,122       1,79         TOTAL OTHER REVENUE       125,615       125,615       50,000       7         TOTAL OPERATING REVENUE       8,096,546       -       8,096,546       6,229,122       1,88         INDIRECT EXPENSES       233,800       233,800       296,040       6         FINANCE       287,123       388,129       296,040       6         MARKETING       212,088       212,088       214,546       6         OPERATIONS       1,554,705       1,534,705       1,734,993       13         EVENT SERVICES       2,373,407       2,373,407       1,520,809       (83         BOX OFFICE       282,982       282,982       321,544       33         TOTAL OPERATING EXP.       8,102,594       -       8,102,593       7,277,591       (83	ANCILLARY INCOME	3,178,249		3,178,249	2,208,772	969,477
TOTAL OTHER REVENUE       125,615       50,000         TOTAL OPERATING REVENUE       8,096,546       -       8,096,546       6,229,122       1,86         INDIRECT EXPENSES       2       233,800       233,800       296,040       0         FINANCE       233,800       233,800       296,040       0         FINANCE       287,123       338,129       2         MARKETING       212,088       212,088       214,546         OPERATIONS       1,554,705       1,554,705       1,734,993       13         EVENT SERVICES       2,373,407       2,373,407       1,520,809       (83         BOX OFFICE       282,982       282,982       321,544       32         OVERHEAD       2,651,934       2,651,934       2,268,651       33         TOTAL OPERATING EXP.       8,102,594       -       8,102,593       7,277,591       (83	OTHER EVENT INCOME	1,287,387		1,287,387	538,400	748,987
TOTAL OPERATING REVENUE     8,096,546     -     8,096,546     6,229,122     1,84       INDIRECT EXPENSES     233,800     233,800     296,040     6       FINANCE     287,123     287,123     338,129     2       MARKETING     212,088     212,088     214,546       OPERATIONS     1,554,705     1,554,705     1,734,993     14       EVENT SERVICES     2,373,407     2,373,407     1,520,809     (8       BOX OFFICE     282,982     282,982     321,544     2       SALES     506,554     506,554     582,879     3       OVERHEAD     2,651,934     2,651,934     2,268,651     (3)       TOTAL OPERATING EXP.     8,102,594     -     8,102,593     7,277,591     (8)	TOTAL EVENT REVENUE	7,970,931	-	7,970,931	6,179,122	1,791,809
INDIRECT EXPENSES         EXECUTIVE       233,800       233,800       296,040       6         FINANCE       287,123       338,129       3         MARKETING       212,088       212,088       214,546         OPERATIONS       1,554,705       1,554,705       1,734,993       14         EVENT SERVICES       2,373,407       2,373,407       1,520,809       (8)         BOX OFFICE       282,982       282,982       321,544       3         SALES       506,554       506,554       582,879       3         OVERHEAD       2,651,934       2,651,934       2,268,651       (3)	TOTAL OTHER REVENUE	125,615		125,615	50,000	75,615
EXECUTIVE       233,800       233,800       296,040       0         FINANCE       287,123       338,129       3         MARKETING       212,088       212,088       214,546         OPERATIONS       1,554,705       1,554,705       1,734,993       14         EVENT SERVICES       2,373,407       2,373,407       1,520,809       (8)         BOX OFFICE       282,982       282,982       321,544       3         SALES       506,554       506,554       582,879       3         OVERHEAD       2,651,934       2,651,934       2,268,651       (3)	TOTAL OPERATING REVENUE	8,096,546	-	8,096,546	6,229,122	1,867,424
FINANCE       287,123       338,129       3         MARKETING       212,088       212,088       214,546         OPERATIONS       1,554,705       1,554,705       1,734,993       14         EVENT SERVICES       2,373,407       2,373,407       1,520,809       (8)         BOX OFFICE       282,982       282,982       321,544       3         SALES       506,554       506,554       582,879       3         OVERHEAD       2,651,934       2,651,934       2,268,651       (3)         TOTAL OPERATING EXP.       8,102,594       -       8,102,593       7,277,591       (8)	INDIRECT EXPENSES					
MARKETING         212,088         212,088         214,546           OPERATIONS         1,554,705         1,734,993         13           EVENT SERVICES         2,373,407         2,373,407         1,520,809         (8)           BOX OFFICE         282,982         282,982         321,544         3           SALES         506,554         506,554         582,879         3           OVERHEAD         2,651,934         2,651,934         2,268,651         (3)	EXECUTIVE	233,800		233,800	296,040	62,240
OPERATIONS         1,554,705         1,534,705         1,734,993         14           EVENT SERVICES         2,373,407         2,373,407         1,520,809         (8)           BOX OFFICE         282,982         282,982         321,544         321           SALES         506,554         506,554         582,879         321           OVERHEAD         2,651,934         2,651,934         2,268,651         (332)           TOTAL OPERATING EXP.         8,102,594         -         8,102,593         7,277,591         (8)	FINANCE	287,123		287,123	338,129	51,006
EVENT SERVICES         2,373,407         2,373,407         1,520,809         (8)           BOX OFFICE         282,982         282,982         321,544         321           SALES         506,554         506,554         582,879         321           OVERHEAD         2,651,934         2,651,934         2,268,651         (3)           TOTAL OPERATING EXP.         8,102,594         -         8,102,593         7,277,591         (8)	MARKETING	212,088		212,088	214,546	2,458
BOX OFFICE       282,982       321,544       321,544         SALES       506,554       506,554       582,879         OVERHEAD       2,651,934       2,268,651       (33)         TOTAL OPERATING EXP.       8,102,594       -       8,102,593       7,277,591       (8)	OPERATIONS	1,554,705		1,554,705	1,734,993	180,288
SALES         506,554         506,554         582,879           OVERHEAD         2,651,934         2,651,934         2,2268,651         (38)           TOTAL OPERATING EXP.         8,102,594         -         8,102,593         7,277,591         (8)	EVENT SERVICES	2,373,407		2,373,407	1,520,809	(852,598)
OVERHEAD       2,651,934       2,651,934       2,268,651       (34)         TOTAL OPERATING EXP.       8,102,594       -       8,102,593       7,277,591       (82)	BOX OFFICE	282,982		282,982	321,544	38,562
TOTAL OPERATING EXP.         8,102,594         -         8,102,593         7,277,591         (8)	SALES	506,554		506,554	582,879	76,325
	OVERHEAD	2,651,934		2,651,934	2,268,651	(383,283)
NET REVENUE ABOVE EXPENSES (6,048) - (6,047) (1,048,469) 1,048	TOTAL OPERATING EXP.	8,102,594	-	8,102,593	7,277,591	(825,002)
	NET REVENUE ABOVE EXPENSES	(6,048)	-	(6,047)	(1,048,469)	1,042,422
<b>INCENTIVE FEE</b> 192,688 0 (19	INCENTIVE FEE		192,688	192,688	0	(192,688)
NET OPERATING REVENUE OVER         (6,048)         (192,688)         (198,735)         (1,048,469)         84           OPERATING EXPENSES		(6,048)	(192,688)	(198,735)	(1,048,469)	849,734

#### Comments:

June concludes a very strong fiscal year for DeVos Place as more events were hosted and the ancillary spending on the events exceeded budgeted expectations.

DocuSigned by: ECB840AE99E405

General Manager

DocuSigned by: 1800 M

Assistant General Manager

# DE VOS PLACE FINANCIAL STATEMENT HIGHLIGHTS 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	June Actual	June Budget	June FY 2022
Number of Events	39	21	38
Attendance	40,696	30,300	35,490
Direct Event Income	\$239,905	\$176,710	\$222,727
Ancillary Income	432,707	108,964	282,456
Other Event Income	108,602	49,600	64,755
Other Operating Income	23,563	4,166	8,577
Indirect Expenses	(848,603)	(606,470)	(718,529)
Net Income	(\$43,826)	(\$267,030)	(\$140,014)

YTD	YTD 2023 Actual	YTD 2023 Budget	YTD 2022 Prior Year
Number of Events	458	<u>362</u>	410
Attendance	597,700	557,210	444,428
Direct Event Income	\$3,505,295	\$3,431,950	\$3,171,902
Ancillary Income	3,178,249	2,208,772	2,043,069
Other Event Income	1,287,387	538,400	893,168
Other Operating Income	125,615	50,000	93,967
Indirect Expenses	(8,102,594)	(7,277,591)	(6,830,133)
Net Income	(\$6,048)	(\$1,048,469)	(\$628,027)

# EVENT INCOME

Direct event income came in higher than budget and a little behind forecast overall.

# ANCILLARY INCOME

Ancillary income came in well ahead of both budget and forecast as spending across all categories exceeded expectations.

# INDIRECT EXPENSES

Indirect expenses came in higher than budget and forecast.

#### DeVos Place Income Statement For the Fiscal Year Ended June 30, 2023

	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Event Income								
Direct Event Income	<b>\$007.450</b>	<b>\$470.040</b>	<b>*</b> 400.040	<b>*</b> ~~~~~~~~	<b>*</b> 4 007 504	<b>*•</b> • • • • • • •	<b>•</b> • • • • • • • • •	<b>60 404 0</b>
Rental Income Service Revenue	\$367,150 346,355	\$170,940	\$ 196,210 60,795	\$309,698	\$4,307,524	\$3,484,210 3,262,644	\$ 823,314 594,707	\$3,461,2
Service Expenses	(473,600)	285,560 (279,790)	(193,810)	461,552 (548,523)	3,857,351 (4,659,580)	(3,314,904)	(1,344,676)	3,342,8 (3,632,20
Total Direct Event Income	239,905	176,710	63,195	222,727	3,505,295	3,431,950	73,345	3,171,9
Ancillary Income								
F&B Concession	55,923	8,419	47,504	21,569	456,916	225,688	231,228	285,7
F&B Catering	229,464	42,269	187,195	141,286	1,164,378	717,124	447,254	654,1
Novelty Sales	4,450	2,640	1,810	6,485	52,154	20,240	31,914	48,6
Booth Cleaning	13,436	14,188	(752)	8,889	414,213	328,490	85,723	275,3
Telephone/Long Distance	0	-	-	0	0	200	(200)	
Electrical Services	51,770	18,804	32,966	18,339	434,519	375,665	58,854	258,6
Audio Visual	48,774	11,799	36,975	59,122	347,890	276,200	71,690	255,8
Internet Services Equipment Rental	13,412 15,478	3,804 7,041	4,764 8,437	10,734 16,032	124,795 183,384	101,305 163,860	23,490 19,524	82,8 181,7
Total Ancillary Income	432,707	108,964	323,743	282,456	3,178,249	2,208,772	969,477	2,043,0
Other Event Income Ticket Rebates(Per Event)	108,602	49,600	59,002	64,755	1,287,387	538,400	748,987	893,16
Total Other Event Income	108,602	49,600	59,002	64,755	1,287,387	538,400	748,987	
Total Event Income	781,214	335,274	445,940	569,938	7,970,931	6,179,122	1,791,809	6,108,1
Other Operating Income								
Luxury Box Agreements	767	1,333	(566)	804	9,425	16,000	(6,575)	4,8
Advertising	0	1,000	(1,000)		0	12,000	(12,000)	
Other Income	22,796	1,833	20,963	7,773	116,190	22,000	94,190	89,1
Total Other Operating Income	23,563	4,166	19,397	8,577	125,615	50,000	75,615	93,9
Adjusted Gross Income	804,777	339,440	465,337	578,515	8,096,546	6,229,122	1,867,424	6,202,1
Operating Expenses								
Salaries and Wages	602,284	315,797	286,487	657,592	5,415,185	3,789,564	1,625,621	4,697,9
Payroll Taxes and Benefits	218,466	99,956	118,510	161,750	1,714,607	1,199,472	515,135	1,500,0
Labor Allocations to Events	(363,477)	(152,700)	(210,777)		(3,712,078)	(1,832,400)	(1,879,678)	(3,330,5
Net Salaries and Benefits	457,273	263,053	194,220	304,475	3,417,714	3,156,636	261,078	2,867,4
		00.047						500.0
Contracted Services	60,915	39,217	21,698	56,264	617,127	470,604	146,523	500,3
General and Administrative Operations	58,396 15 988	39,603 13,852	18,793	84,903 15 713	534,487 227 300	475,236	59,251 61.076	420,3
Repair and Maintenance	15,988 37,521	13,852 48,667	2,136 (11,146)	15,713 82,721	227,300 568,820	166,224 584,004	61,076 (15,184)	145,4 649,4
Operational Supplies	40,591	25,675	14,916	32,365	354,316	308,100	46,216	276,5
Insurance	36,235	32,725	3,510	27,820	481,979	392,700	89,279	349,7
Utilities	125,741	127,734	(1,993)		1,709,585	1,532,759	176,826	1,435,0
SMG Management Fees	15,943	15,944	(1)		191,267	191,328	(61)	185,7
Total Operating Expenses	848,603	606,470	242,133	718,529	8,102,594	7,277,591	825,003	6,830,1
Net Income(Loss) From Operation		(267,030)	223,204		(6,048)		1,042,421	(628,02
Other Non-Operating Expenses								

	Events	•	Attendance		Total Event	Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	146	185	139,199	209,620	2,525,555	3,280,914
Consumer/Gated Shows	45	46	160,907	154,000	1,145,626	1,188,216
DeVos Performance Hall	155	125	225,670	181,590	2,739,851	1,557,370
Banquets	29	-	26,311	-	473,962	-
Meetings	66	6	26,658	12,000	934,946	152,626
Other	17	-	18,955	-	150,990	-
GRAND TOTALS	458	362	597,700	557,210	7,970,931	6,179,122
As Percentage of Overall						
Convention/Trade Shows	31.88%	51.10%	23.29%	37.62%	31.68%	53.10%
Consumer/Gated Shows	9.83%	12.71%	26.92%	27.64%	14.37%	19.23%
Devos Performance Hall	33.84%	34.53%	37.76%	32.59%	34.37%	25.20%
Ballroom Exclusive	6.33%	0.00%	4.40%	0.00%	5.95%	0.00%
Meetings	14.41%	1.66%	4.46%	2.15%	11.73%	2.47%
Other	3.71%	0.00%	3.17%	0.00%	1.89%	0.00%

# SMG DeVos Place Grand Rapids - Kent County Convention/Arena Authority Year to Date Event Summary Report For the Fiscal Year Ended June 30, 2023

# DeVos Place Balance Sheet As of June 30, 2023

# ASSETS

Current Assets	
Cash	5,290,466
Account Receivable	1,880,034
Prepaid Expenses	12,767
Total Current Assets	

\$7,183,267

Total Assets	\$7,183,267
	=======================================

# LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	746,738	
Accrued Expenses	66,205	
Deferred Income	487,921	
Advanced Ticket Sales & Deposits	3,788,910	
Total Current Liabilities		\$5,089,774
		<i><i><i>ϕ</i>ϕϕϕϕϕϕϕϕϕϕϕ</i></i>
Other Liabilities		
Equity		
Funds Remitted to CAA	(66,000)	
Funds Received by CAA		
Expenses Paid Direct by CAA	1,668,663	
Beginning Balance Equity	496,878	
Current Year Equity	(6,048)	
Total Equity		\$2,093,493
Total Liabilities and Equity		\$7,183,267

SMG - DeVos Place					
Grand Rapids - Kent County Convention/Arena Authority					
Summary of Accounts Receivable					
As of June 30, 2023					

Current - Under 30 Days	
Food & Beverage	285,386
Ticketing	-
Merchandise	5,873
Decorating	13,435
Audio/Visual	89,329
Van Andel Arena	773,873
Operating	488,577
Over 30 Days	124,874
Over 60 Days	98,687
Over 90 Days	
Total Accounts Receivable	1,880,034

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

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2022
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	3,669,477	(6,047)	3,663,430	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	3,669,477	(6,047)	2,613,430	1,962,987

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	9,249,244	8,096,546	17,345,790	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess Incentive Fee **	3,229,622 205,695	2,778,238 176,947	6,007,860 382,642	3,687,167 371,497
Total SMG Management Fee	397,016	368,268	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 JUNE 30, 2023

# PROUD HOME OF THE GRAND RAPIDS GRIFFINS AND GRAND RAPIDS GOLD

# \*\*\*UNAUDITED\*\*\*

Distribution:

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



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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	122		122	86	36
ATTENDANCE	684,253		684,253	561,500	122,753
DIRECT EVENT INCOME	1,587,788		1,587,788	1,401,940	185,848
ANCILLARY INCOME	3,350,820		3,350,820	1,716,326	1,634,494
OTHER EVENT INCOME	1,873,757		1,873,757	1,195,500	678,257
TOTAL EVENT INCOME	6,812,365	-	6,812,365	4,313,766	2,498,599
TOTAL OTHER INCOME	2,436,879		2,436,879	2,328,600	108,279
TOTAL INCOME	9,249,244	-	9,249,244	6,642,366	2,606,878
INDIRECT EXPENSES					
EXECUTIVE	280,856		280,856	291,542	10,686
FINANCE	237,392		237,392	282,455	45,063
MARKETING	337,439		337,439	327,145	(10,294)
OPERATIONS	2,790,201		2,790,201	2,342,866	(447,335)
BOX OFFICE	261,560		261,560	284,042	22,482
SKYWALK ADMIN	20,914		20,914	54,100	33,186
OVERHEAD	1,651,405		1,651,405	1,467,341	(184,064)
TOTAL INDIRECT EXP.	5,579,766	-	5,579,767	5,049,491	(530,276)
NET REVENUE ABOVE EXPENSES	3,669,478	-	3,669,477	1,592,875	2,076,602
LESS INCENTIVE FEE		205,695	205,695	-	(205,695)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	3,669,478	(205,695)	3,463,782	1,592,875	1,870,907

Comments:

June concludes a very successful fiscal year for the Arena with the Addition of the Grand Rapids Gold and a very successful concert schedule.

DocuSigned by:

General Manager

DocuSigned by: UM HUI -10BEBDDB52E245A

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	June Actual	June Budget	June FY 2022
Number of Events	8	2	7
Attendance	48,477	16,000	37,140
Direct Event Income	\$356,073	\$78,000	(\$80,164)
Ancillary Income	349,876	53,320	94,540
Other Event Income	388,570	72,000	441,692
Other Operating Income	305,328	187,972	347,642
Indirect Expenses	(508,829)	(420,794)	(397,803)
Net Income	\$891,018	(\$29,502)	\$405,907

YTD	YTD 2023 Actual	YTD 2023 Budget	YTD 2022 Prior Year
Number of Events	122	<u> </u>	109
Attendance	684,253	556,500	616,604
Direct Event Income	\$1,587,788	\$1,393,940	\$1,304,939
Ancillary Income	3,350,820	1,711,689	2,791,817
Other Event Income	1,873,757	1,195,500	1,908,146
Other Operating Income	2,436,879	2,309,014	1,929,859
Indirect Expenses	(5,579,766)	(5,049,528)	(4,293,743)
Net Income	\$3,669,478	\$1,560,615	\$3,641,018

# EVENT INCOME

Event income came in well ahead of budget and forecast with successful shows combined with the addition of the rescheduled Morgan Wallen concert.

# ANCILLARY INCOME

Ancillary income came in well ahead of budget and forecast as per cap spending exceeded expectations.

# INDIRECT EXPENSES

Indirect expenses came in consistent with budget and forecast.

#### Van Andel Arena Income Statement For the Fiscal Year Ending June 30, 2023

	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	\$ 426,848	\$ 90,000	\$ 336,848	\$ 51,058	\$ 3,918,849	\$ 2,260,140	\$ 1,658,709	\$ 2,721,932
Service Revenue	532,730	120,000	412,730	531,458	3,365,998	2,001,800	1,364,198	3,753,251
Service Expenses	(603,505)	(132,000)	(471,505)					(5,170,244)
Total Direct Event Income	356,073	78,000	278,073	(80,164)	1,587,788	1,393,940	193,848	1,304,939
Ancillary Income								
F&B Concession	284,874	42,400	242,474	51,680	2,904,741	1,482,985	1,421,756	2,355,624
F&B Catering	25,128	4,680	20,448	15,841	248,905	125,246	123,659	192,867
Novelty Sales Booth Cleaning	39,874 -	6,240 -	33,634 -	26,958 61	192,339 699	103,458 -	88,881 699	239,378 353
Audio Visual	-	-	-	-	636	-	636	95
Other Ancillary	-	-	-	-	3,500	-	3,500	3,500
Total Ancillary Income	349,876	53,320	296,556	94,540	3,350,820	1,711,689	1,639,131	2,791,817
Other Event Income								
Ticket Rebates(Per Event)	388,570	72,000	316,570	441,692	1,873,757	1,195,500	678,257	1,908,146
Total Other Event Income	388,570	72,000	316,570	441,692	1,873,757	1,195,500	678,257	1,908,146
Total Event Income	1,094,519	203,320	891,199	456,068	6,812,365	4,301,129	2,511,236	6,004,902
Other Operating Income								
Luxury Box Agreements	208,631	129,888	78,743	134,551	1,666,627	1,612,006	54,621	1,353,795
Advertising	48,000	52,084	(4,084)		596,270	625,008	(28,738)	492,809
Other Income	48,697	6,000	42,697	24,282	173,982	72,000	101,982	83,255
Total Other Operating Income	305,328	187,972	117,356	347,642	2,436,879	2,309,014	127,865	1,929,859
Adjusted Gross Income	1,399,847	391,292	1,008,555	803,710	9,249,244	6,610,143	2,639,101	7,934,761
Operating Expenses								
Salaries and Wages	295,796	201,334	94,462	245,533	2,990,406	2,416,008	574,398	2,351,278
Payroll Taxes and Benefits	83,879	60,119	23,760	58,096	959,616	721,428	238,188	790,277
Labor Allocations to Events	(180,060)	(82,886)	(97,174)	(185,008)	(1,617,436)	(994,632)	(622,804)	(1,526,003)
Net Salaries and Benefits	199,615	178,567	21,048	118,621	2,332,586	2,142,804	189,782	1,615,552
Contracted Services	32,165	36,600	(4,435)	48,038	423,659	439,200	(15,541)	331,124
General and Administrative	67,737	33,831	33,906		467,233	405,972	61,261	398,581
Operations	15,023	7,184	7,839		97,101	86,208	10,893	59,785
Repair and Maintenance	66,342	31,375	34,967	50,674	540,072	376,500	163,572	370,030
Operational Supplies	19,696	23,017	(3,321)		250,661	276,204	(25,543)	216,600
Insurance	30,357	23,667	6,690		413,406	284,004		322,123
Utilities SMG Management Fees	61,951 15,943	70,609 15,944	(8,658) (1)		866,472 188 576	847,308 191 328	19,164 (2,752)	794,202 185 746
Total Operating Expenses		420,794						
Total Operating Expenses		420,794						4,293,743
Net Income(Loss) From Operations		(29,502)		405,907 ======				
Other Non-Operating Expenses								
Adjusted Net Income(Loss)		(29,502)	920,520	405,907	3,669,478	1,560,615	2,108,863	3,641,018
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SMG - Van Andel Arena				
Grand Rapids - Kent County Convention/Arena Authority				
Event Summary				
For the Fiscal Year ending June 30, 2023				

	Events	Events/Days Attendan		ance	Total Event	Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	10	9	51,832	50,000	399,871	269,739
Sporting Event	11	6	75,094	38,000	1,349,241	373,377
Concert	25	28	215,271	226,000	3,738,381	2,815,409
Team Home Games	60	36	248,630	198,000	330,634	561,060
Other	16	6	93,426	44,500	994,235	281,544
GRAND TOTALS	122	85	684,253	556,500	6,812,365	4,301,129
As Percentage of Overall						
Family Show	8.20%	10.59%	7.57%	8.98%	5.87%	6.27%
Sporting Event	9.02%	7.06%	10.97%	6.83%	19.81%	8.68%
Concert	20.49%	32.94%	31.46%	40.61%	54.88%	65.46%
Team Home Games	49.18%	42.35%	36.34%	35.58%	4.85%	13.04%
Other	13.11%	7.06%	13.65%	8.00%	14.59%	6.55%

# Van Andel Arena Balance Sheet As of May 31, 2023

# ASSETS

Current Assets		
Cash	21,254,067	
Account Receivable	680,684	
Prepaid Expenses	93,025	
Total Current Assets	\$22,027,7	76

\$22,027,776

# LIABILITIES AND EQUITY

Total Equity		\$4,794,756
Current Year Equity	3,669,478	
Beginning Balance Equity	3,794,904	
Expenses Paid Direct by CAA	830,377	
Funds Received by CAA	-	
Equity Funds Remitted to CAA	(3,500,000)	
Other Liabilities		
Total Current Liabilities		\$17,233,020
Advanced Ticket Sales & Deposits	8,622,546	
Deferred Income	1,664,656	
Accrued Expenses	470,869	
Accounts Payable	6,474,948	

#### SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of May 31, 2023

Current - Under 30 Days			
Food & Beverage	587,689		
Ticketing	95,331		
Merchandise	-		
Permanent Advertising	32,000		
DeVos Place	(761,029)		
Operating	340,568		
Over 30 Days Over 60 Days	220,138 165,987		
Over 90 Days			
Total Accounts Receivable	680,684		

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

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2022
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	3,669,477	(6,047)	3,663,430	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	3,669,477	(6,047)	2,613,430	1,962,987

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	9,249,244	8,096,546	17,345,790	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess Incentive Fee **	3,229,622 205,695	2,778,238 176,947	6,007,860 382,642	3,687,167 371,497
Total SMG Management Fee	397,016	368,268	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.

# DEVOS PLACE

# **DE VOS PLACE**

# FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED JULY 31, 2023

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, 2024

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	35	394	429	368	61
ATTENDANCE	39,097	618,423	657,520	563,920	93,600
DIRECT EVENT INCOME	273,943	3,876,702	4,150,645	3,431,950	718,695
ANCILLARY INCOME	212,112	2,337,180	2,549,292	2,208,772	340,520
OTHER EVENT INCOME	193,340	974,460	1,167,800	538,400	629,400
TOTAL EVENT REVENUE	679,395	7,188,342	7,867,737	6,179,122	1,688,615
TOTAL OTHER REVENUE	7,051	108,949	116,000	50,000	66,000
TOTAL OPERATING REVENUE	686,446	7,297,291	7,983,737	6,229,122	1,754,615
INDIRECT EXPENSES					
EXECUTIVE	13,291	271,105	284,396	296,040	11,644
FINANCE	21,085	321,292	342,377	338,129	(4,248)
MARKETING	10,685	320,194	330,879	214,546	(116,333)
OPERATIONS	95,000	1,768,151	1,863,151	1,734,993	(128,158)
EVENT SERVICES	184,850	1,540,940	1,725,790	1,520,809	(204,981)
BOX OFFICE	20,782	276,634	297,416	321,544	24,128
SALES	36,139	543,618	579,757	582,879	3,122
OVERHEAD	196,987	2,369,504	2,566,491	2,268,651	(297,840)
TOTAL OPERATING EXP.	578,818	7,411,438	7,990,257	7,277,591	(712,666)
NET REVENUE ABOVE EXPENSES	107,628	(114,147)	(6,520)	(1,048,469)	1,041,949
INCENTIVE FEE		301,053	301,053	301,053	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	107,628	(415,200)	(307,573)	(1,349,522)	1,041,949

#### Comments:

DeVos Place kicks off a new fiscal year with a very successful first month highlighted by non-traditional timing of arts groups events with both Broadway and Symphony hosting July events.

DocuSigned by: ||/V

General Manager

-DocuSigned by: Withhu

Assistant General Manager

#### DE VOS PLACE FINANCIAL STATEMENT HIGHLIGHTS FISCAL YEAR ENDING JUNE 30, 2024

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

MONTH	July	July	July
	Actual	Budget	FY 2023
Number of Events	35	39	28
Attendance	39,097	36,050	27,435
Direct Event Income	\$273,943	\$238,988	\$162,768
Ancillary Income	212,112	156,565	180,778
Other Event Income	193,340	70,000	49,338
Other Operating Income	7,051	9,666	6,592
Indirect Expenses	(578,818)	(665,856)	(413,434)
Net Income	\$107,628	(\$190,637)	(\$13,958)

YTD	YTD 2024	YTD 2024	YTD 2023
	Actual	Budget	Prior Year
Number of Events	35	39	28
Attendance	39,097	36,050	27,435
Direct Event Income	\$273,943	\$238,988	\$162,768
Ancillary Income	212,112	156,565	180,778
Other Event Income	193,340	70,000	49,338
Other Operating Income	7,051	9,666	6,592
Indirect Expenses	(578,817)	(665,856)	(413,434)
Net Income	\$107,629	(\$190,637)	(\$13,958)

## EVENT INCOME

Direct event income came in higher than budget for the month as the theater events sold very strong alon with higher than anticipated venue usage on convention events.

#### ANCILLARY INCOME

Ancillary income came in higher than budget for the month as spending in most areas continues to be strong.

#### INDIRECT EXPENSES

Indirect expenses came in under budget for the month overall.

#### DeVos Place Income Statement For the One Month Ended July 31, 2023

							Prior Year
\$238 970	\$233.088	\$ 5.882	\$229 851	\$238 970	\$233.088	\$ 5.882	\$229,85
					. ,		137,33
(520,875)	(241,698)	(279,177)	(204,418)	(520,875)	(241,698)	(279,177)	(204,418
273,943	238,988	34,955	162,768	273,943	238,988	34,955	162,76
31,385	12,049	19,336	16,687	31,385	12,049	19,336	16,68
80,068	57,470	22,598	75,554	80,068	57,470	22,598	75,55
0	1,680	(1,680)	0	0	1,680	(1,680)	
23,587	16,205	7,382	28,543	23,587	16,205	7,382	28,54
		-				-	
,	,	,		- ,	,		36,87
,	, .	(-,,	,		, -	( )	7,49
,		,	,		,	,	6,53 9,09
212,112	156,565	55,547	180,778	212,112	156,565	55,547	180,77
193,340	70,000	123,340	49,338	193,340	70,000	123,340	49,33
193,340	70,000	123,340	49,338	193,340	70,000	123,340	49,33
679,395	465,553	213,842	392,884	679,395	465,553	213,842	392,88
767	1 333	(566)	804	767	1 333	(566)	80
		· · /				· · ·	00
6,284	7,333	(1,000)	5,788	6,284	7,333	(1,049)	5,78
7,051	9,666	(2,615)	6,592	7,051	9,666	(2,615)	6,5
686,446	475,219	211,227	399,476	686,446	475,219	211,227	399,47
550.000	404 404	00.007	010 700	550.000	404 404	00.007	040 7
		,	,	, .		,	212,7
	,					,	65,5 <sup>-</sup> (179,55
		(137,000)		(404,794)	(307,794)	(137,000)	
272,087	295,417	(23,330)	98,668	272,087	295,417	(23,330)	98,6
49,300	38,350	10,950	54,459	49,300	38,350	10,950	54,4
27,712	44,815	(17,103)	34,751	27,712	44,815	(17,103)	34,7
11,085	18,852	(7,767)	3,074	11,085	18,852	(7,767)	3,0
30,904	42,000	(11,096)	39,666	30,904	42,000	(11,096)	39,6
10,825	26,675	(15,850)	15,187	10,825	26,675	(15,850)	15,18
37,172		( , ,		37,172	46,725	,	25,79
123,311 16,422	136,600 16,422	(13,289) -	126,352 15,479	123,311 16,422	136,600 16,422	(13,289)	126,3 15,4
		(87.038)				(87.039)	413,4
107,628 ====================================	(190,637)	298,265 ======	(13,958) =======	107,629 ======	(190,637) =======	298,266 ======	(13,95 =====
107,628	(190,637)	298,265	(13,958)	107,629	(190,637)	298,266	(13,95
	273,943 31,385 80,068 0 23,587 0 34,565 21,761 4,463 16,283 212,112 193,340 193,340 679,395 767 0 6,284 7,051 686,446 550,228 186,653 (464,794) 272,087 49,300 27,712 11,085 30,904 10,825 37,172 123,311 16,422 578,818 107,628	555,848         247,598           (520,875)         (241,698)           273,943         238,988           31,385         12,049           80,068         57,470           0         1,680           23,587         16,205           0         -           34,565         21,744           21,761         27,216           4,463         8,262           16,283         11,939           212,112         156,565           193,340         70,000           193,340         70,000           679,395         465,553           767         1,333           0         1,000           6,284         7,333           7,051         9,666           686,446         475,219           550,228         481,421           186,653         121,790           (464,794)         (307,794)           272,087         295,417           49,300         38,350           27,712         44,815           30,904         42,000           10,825         26,675           37,172         46,725           123,311	555,848         247,598         308,250           (520,875)         (241,698)         (279,177)           273,943         238,988         34,955           31,385         12,049         19,336           80,068         57,470         22,598           0         1,680         (1,680)           23,587         16,205         7,382           0         -         -           34,565         21,744         12,821           21,761         27,216         (5,455)           4,463         8,262         4,764           16,283         11,939         4,344           212,112         156,565         55,547           193,340         70,000         123,340           679,395         465,553         213,842           767         1,333         (566)           0         1,000         (1,000)           6,284         7,333         (1,049)           7,051         9,666         (2,615)           686,446         475,219         211,227           550,228         481,421         68,807           (464,794)         (307,794)         (157,000)           277,12 <t< td=""><td>555,848         247,598         308,250         137,335           (520,875)         (241,698)         (279,177)         (204,418)           273,943         238,988         34,955         162,768           31,385         12,049         19,336         16,687           80,068         57,470         22,598         75,554           0         1,680         (1,680)         0           23,587         16,205         7,382         28,543           0         -         -         0           34,565         21,744         12,821         36,871           21,761         27,216         (5,455)         7,492           4,463         8,262         4,764         6,535           16,283         11,939         4,344         9,096           212,112         156,565         55,547         180,778           193,340         70,000         123,340         49,338           193,340         70,000         123,340         49,338           679,395         465,553         213,842         392,884           7,051         9,666         (2,615)         6,592           686,446         475,219         211,227         39</td><td>555,848         247,598         308,250         137,335         (555,848           (520,875)         (241,699)         (279,177)         (204,418)         (520,875)           273,943         238,988         34,955         162,768         273,943           31,385         12,049         19,336         16,687         31,385           80,068         57,470         22,598         75,554         80,068           0         1,680         (1,680)         0         0           23,587         16,205         7,382         28,543         23,587           0         -         -         0         0         0           34,565         21,741         12,216         (5,455)         7,492         21,761           4,463         8,262         4,764         6,535         4,463           16,283         11,939         4,344         9,096         16,283           212,112         156,565         55,547         180,778         212,112           193,340         70,000         123,340         49,338         193,340           193,340         70,000         123,340         49,338         193,340           6679,395         465,553</td><td>555,848         247,598         308,250         137,335         555,848         247,598           273,943         238,988         34,955         162,768         273,943         238,988           31,385         12,049         19,336         16,687         31,385         12,049           80,068         57,470         22,598         75,554         80,068         57,470           23,587         16,205         7,382         28,643         23,587         16,205           0         -         -         0         0         1,860         21,744           24,763         8,262         4,764         6,535         4,463         8,262           16,283         11,939         4,344         9,096         16,223         11,939           212,112         156,565         55,547         180,778         212,112         156,565           193,340         70,000         123,340         49,338         193,340         70,000           193,340         70,000         123,340         49,338         193,340         70,000           6,284         7,333         (1,049)         5,788         6,284         7,333           7,051         9,666         (2,615)</td><td>655.848         247,598         308,250         137,335         555.848         247,598         308,250           (520,875)         (241,698)         (279,177)         (204,418)         (520,875)         (241,698)         (279,177)           273,943         238,988         34,955         162,768         273,943         238,988         34,955           31,385         12,049         19,336         16,687         31,385         12,049         19,336           0         1,680         (1.680)         0         1,680         (1.680)         0         1,620         1,744         12,22,598           0         1,680         (1.680)         7,382         21,761         27,216         (5,455)           34,565         21,744         12,821         36,871         34,565         21,744         12,821           193,340         70,000         123,340         49,938         193,340         70,000         123,340           193,340         70,000         123,340         49,338         193,340         70,000         123,340           679,395         465,553         213,842         392,884         679,395         465,553         213,842           7657         1,333         (1666)&lt;</td></t<>	555,848         247,598         308,250         137,335           (520,875)         (241,698)         (279,177)         (204,418)           273,943         238,988         34,955         162,768           31,385         12,049         19,336         16,687           80,068         57,470         22,598         75,554           0         1,680         (1,680)         0           23,587         16,205         7,382         28,543           0         -         -         0           34,565         21,744         12,821         36,871           21,761         27,216         (5,455)         7,492           4,463         8,262         4,764         6,535           16,283         11,939         4,344         9,096           212,112         156,565         55,547         180,778           193,340         70,000         123,340         49,338           193,340         70,000         123,340         49,338           679,395         465,553         213,842         392,884           7,051         9,666         (2,615)         6,592           686,446         475,219         211,227         39	555,848         247,598         308,250         137,335         (555,848           (520,875)         (241,699)         (279,177)         (204,418)         (520,875)           273,943         238,988         34,955         162,768         273,943           31,385         12,049         19,336         16,687         31,385           80,068         57,470         22,598         75,554         80,068           0         1,680         (1,680)         0         0           23,587         16,205         7,382         28,543         23,587           0         -         -         0         0         0           34,565         21,741         12,216         (5,455)         7,492         21,761           4,463         8,262         4,764         6,535         4,463           16,283         11,939         4,344         9,096         16,283           212,112         156,565         55,547         180,778         212,112           193,340         70,000         123,340         49,338         193,340           193,340         70,000         123,340         49,338         193,340           6679,395         465,553	555,848         247,598         308,250         137,335         555,848         247,598           273,943         238,988         34,955         162,768         273,943         238,988           31,385         12,049         19,336         16,687         31,385         12,049           80,068         57,470         22,598         75,554         80,068         57,470           23,587         16,205         7,382         28,643         23,587         16,205           0         -         -         0         0         1,860         21,744           24,763         8,262         4,764         6,535         4,463         8,262           16,283         11,939         4,344         9,096         16,223         11,939           212,112         156,565         55,547         180,778         212,112         156,565           193,340         70,000         123,340         49,338         193,340         70,000           193,340         70,000         123,340         49,338         193,340         70,000           6,284         7,333         (1,049)         5,788         6,284         7,333           7,051         9,666         (2,615)	655.848         247,598         308,250         137,335         555.848         247,598         308,250           (520,875)         (241,698)         (279,177)         (204,418)         (520,875)         (241,698)         (279,177)           273,943         238,988         34,955         162,768         273,943         238,988         34,955           31,385         12,049         19,336         16,687         31,385         12,049         19,336           0         1,680         (1.680)         0         1,680         (1.680)         0         1,620         1,744         12,22,598           0         1,680         (1.680)         7,382         21,761         27,216         (5,455)           34,565         21,744         12,821         36,871         34,565         21,744         12,821           193,340         70,000         123,340         49,938         193,340         70,000         123,340           193,340         70,000         123,340         49,338         193,340         70,000         123,340           679,395         465,553         213,842         392,884         679,395         465,553         213,842           7657         1,333         (1666)<

	Events	/Days	Attenda	nce	Total Event	Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	14	21	3,930	6,050	208,719	220,077
Consumer/Gated Shows	-	-	-	-	-	-
DeVos Performance Hall	19	16	33,767	27,000	456,421	185,350
Banquets	2	2	1,400	3,000	14,254	60,126
Meetings	-	-	-	-	-	-
Other	-	-	-	-	-	-
GRAND TOTALS	35	39	39,097	36,050	679,395	465,553
As Percentage of Overall						
Convention/Trade Shows	40.00%	53.85%	10.05%	16.78%	30.72%	47.27%
Consumer/Gated Shows	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Devos Performance Hall	54.29%	41.03%	86.37%	74.90%	67.18%	39.81%
Ballroom Exclusive	5.71%	5.13%	3.58%	8.32%	2.10%	12.91%
Meetings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

#### SMG DeVos Place Grand Rapids - Kent County Convention/Arena Authority Year to Date Event Summary Report For the One Month Ended July 31, 2023

## DeVos Place Balance Sheet As of July 31, 2023

#### ASSETS

5,775,435
1,973,512
(110,598)

\$7,638,349

Total Assets	\$7,638,349

#### LIABILITIES AND EQUITY

Current Liabilities	
Accounts Payable	1,320,749
Accrued Expenses	255,530
Deferred Income	425,398
Advanced Ticket Sales & Deposits	3,409,961
Total Current Liabilities	

#### **Other Liabilities**

Equity	
Funds Remitted to CAA	
Funds Received by CAA	(5,500)
Expenses Paid Direct by CAA	120,000
Beginning Balance Equity	2,004,583
Current Year Equity	107,628
Total Equity	

**Total Liabilities and Equity** 

\$2,226,711

\$5,411,638

\$7,638,349

<b>SMG - DeVos Place</b>
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of July 31, 2023

Current - Under 30 Days	
Food & Beverage	111,453
Ticketing	-
Merchandise	3,430
Decorating	23,586
Audio/Visual	111,601
Van Andel Arena	1,046,370
Operating	535,373
Over 30 Days	107,658
Over 60 Days	34,041
Over 90 Days	
Total Accounts Receivable	1,973,512

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#### SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2024

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2023
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	1,751,232	(6,520)	1,744,712	3,663,430
Benchmark++			1,050,000	1,050,000
Excess	1,751,232	(6,520)	694,712	2,613,430

Incentive Fee Calculation (Only if above greater than zero)

		Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee		197,061	197,061	394,122	382,642
Incentive F	ee				
	Revenue	7,106,175	7,983,787	15,089,962	17,345,790
	Benchmark Revenue	6,380,799	5,637,406	12,018,205	11,337,930
	Revenue Excess Incentive Fee **	725,376 93,069	2,346,381 301,053	3,071,757 394,122	6,007,860 382,642
Total SMG	Management Fee	290,130	498,114	788,244	765,284

\*\* 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 JULY 31, 2023

PROUD HOME OF THE GRAND RAPIDS GRIFFINS AND GRAND RAPIDS GOLD

Distribution:

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



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#### VAN ANDEL ARENA ROLLING FORECAST FISCAL YEAR ENDING JUNE 30, 2024

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS ATTENDANCE	5 39,071	107 588,429	112 627,500	112 627,500	- -
DIRECT EVENT INCOME ANCILLARY INCOME OTHER EVENT INCOME	317,517 259,485 240,493	1,257,283 1,592,190 1,141,607	1,574,800 1,851,675 1,382,100	1,574,800 1,851,675 1,382,100	- - -
TOTAL EVENT INCOME	817,495	3,991,080	4,808,575	4,808,575	
TOTAL OTHER INCOME TOTAL INCOME	200,238 1,017,733	2,097,362 6,088,442	2,297,600 7,106,175	2,297,600 7,106,175	<u> </u>
	40.507	000 000	040 407	040 407	
EXECUTIVE FINANCE	16,567 15,898	296,930 284,090	313,497 299,988	313,497 299,988	-
MARKETING	17,678	288,773	306,451	306,451	-
OPERATIONS BOX OFFICE	262,452 19,025	2,211,761 277,188	2,474,213 296,213	2,474,213 296,213	-
SKYWALK ADMIN OVERHEAD	2,361	51,739	54,100	54,100	-
OVERHEAD	136,067	1,474,414	1,610,481	1,610,481	-
TOTAL INDIRECT EXP.	470,048	4,884,895	5,354,943	5,354,943	-
NET REVENUE ABOVE EXPENSES	547,685	1,203,547	1,751,232	1,751,232	-
LESS INCENTIVE FEE		93,069	93,069	93,069	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	547,685	1,110,478	1,658,163	1,658,163	-

#### Comments:

Arena had a nice start to the fiscal year with one more concert hosted than budgeted and 2 shows selling much better than what was originally expected.

DocuSigned by: W

General Manager

DocuSigned by:

Assistant General Manager

#### VAN ANDEL ARENA FINANCIAL STATEMENT HIGHLIGHTS FOR FISCAL YEAR ENDING JUNE 30, 2024

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

MONTH	July Actual	July Budget	July FY 2023
Number of Events	5	4	5
Attendance	39,071	29,000	37,279
Direct Event Income	\$317,517	\$125,000	\$207,870
Ancillary Income	259,485	84,617	165,780
Other Event Income	240,493	108,000	178,877
Other Operating Income	200,238	199,972	211,223
Indirect Expenses	(470,048)	(446,249)	(375,429)
Net Income	\$547,685	\$71,340	\$388,321

YTD	YTD 2024 Actual	YTD 2024 Budget	YTD 2023 Prior Year
Number of Events	5	4	5
Attendance	39,071	29,000	37,279
Direct Event Income	\$317,517	\$125,000	\$207,870
Ancillary Income	259,485	84,617	165,780
Other Event Income	240,493	108,000	178,877
Other Operating Income	200,238	199,972	211,223
Indirect Expenses	(470,048)	(446,249)	(375,429)
Net Income	\$547,685	\$71,340	\$388,321

#### EVENT INCOME

Event income came in higher than budget as sales for NF and Big Time Rush exceeded expectations.

#### ANCILLARY INCOME

Ancillary income came in higher than budget as per caps continue to be strong coupled with the addition of the Snoop Dogg concert that was not budgeted.

#### **INDIRECT EXPENSES**

Indirect expenses came in consistent with budget overall.

#### Van Andel Arena Income Statement For the One Month Ended July 31, 2023

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income Direct Event Income Rental Income Service Revenue Service Expenses	\$ 380,041 379,074 (441,598)	\$ 160,000 182,000 (217,000)	\$ 220,041 197,074 (224,598)	\$ 248,590 397,266 (437,986)	\$ 380,041 379,074 (441,598)	\$    160,000 182,000 (217,000)	\$ 220,041 197,074 (224,598)	\$ 248,590 397,266 (437,986)
Total Direct Event Income	317,517	125,000	192,517	207,870	317,517	125,000	192,517	207,870
Ancillary Income								
F&B Concession	212,889	68,237	144,652	128,068	212,889	68,237	144,652	128,068
F&B Catering	15,855	7,020	8,835	14,213	15,855	7,020	8,835	14,213
Novelty Sales Booth Cleaning	30,230	9,360	20,870	23,499	30,230	9,360	20,870	23,499
Audio Visual	511	-	511	-	511	-	511	-
Other Ancillary	-	-	-	-	-	-	-	-
Total Ancillary Income	259,485	84,617	174,868	165,780	259,485	84,617	174,868	165,780
Other Event Income Ticket Rebates(Per Event)	240,493	108,000	132,493	178,877	240,493	108,000	132,493	170 075
		- <u> </u>						178,877
Total Other Event Income	240,493	108,000	132,493	178,877	240,493	108,000	132,493	178,877
Total Event Income	817,495	317,617	499,878	552,527	817,495	317,617	499,878	552,527
Other Operating Income								
Luxury Box Agreements	150,162	141,888	8,274	155,229	150,162	141,888	8,274	155,229
Advertising Other Income	48,000 2,076	52,084 6,000	(4,084) (3,924)	55,173 821	48,000 2,076	52,084 6,000	(4,084) (3,924)	55,173 821
Total Other Operating Income	200,238	199,972	266	211,223	200,238	199,972	266	211,223
Adjusted Gross Income	1,017,733	517,589	500,144	763,750	1,017,733	517,589	500,144	763,750
Operating Expenses	005 700	007.004	50 474	047 400	005 700	007.004	50.474	047.400
Salaries and Wages	265,762	207,291	58,471	217,183	265,762	207,291	58,471	217,183
Payroll Taxes and Benefits Labor Allocations to Events	88,111 (133,781)	60,851 (82,886)	27,260 (50,895)	76,347 (159,863)	88,111 (133,781)	60,851 (82,886)	27,260 (50,895)	76,347 (159,863
Net Salaries and Benefits	220,092	185,256	34,836	133,667	220,092	185,256	34,836	133,667
Contracted Services	32,751	35,534	(2,783)	32,409	32,751	35,534	(2,783)	32,409
General and Administrative	23,590	34,969	(11,379)	31,756	23,590	34,969	(11,379)	31,756
Operations	5,033	10,084	(5,051)	9,350	5,033	10,084	(5,051)	9,350
Repair and Maintenance	53,916	32,542	21,374	44,610	53,916	32,542	21,374	44,610
Operational Supplies	15,008	25,017	(10,009)	16,887	15,008	25,017	(10,009)	16,887
Insurance	26,967	27,250	(283)	24,209	26,967	27,250	(283)	24,209
Utilities SMG Management Fees	76,269 16,422	79,175 16,422	(2,906) -	67,512 15,029	76,269 16,422	79,175 16,422	(2,906) -	67,512 15,029
Total Operating Expenses	470,048	446,249	23,799	375,429	470,048	446,249	23,799	375,429
Net Income(Loss) From Operations		71,340	476,345		547,685			388,321
Other Non-Operating Expenses								
		71,340		388,321	547,685	71,340	476,345	388,321

#### SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Event Summary For the One Month Ended July 31, 2023

	Events	/Days	Attenda	Attendance		Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	-	-	-	-	-	-
Sporting Event	1	1	999	5,000	26,506	12,637
Concert	4	3	38,072	24,000	790,989	304,980
Team Home Games	-	-	-	-	-	-
Other	-	-	-	-	-	-
GRAND TOTALS	5	4	39,071	29,000	817,498	317,617
As Percentage of Overall						
Family Show	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sporting Event	20.00%	25.00%	2.56%	17.24%	3.24%	3.98%
Concert	80.00%	75.00%	97.44%	82.76%	96.76%	96.02%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# Van Andel Arena Balance Sheet As of July 31, 2023

#### ASSETS

Current Assets	
Cash	20,297,306
Account Receivable	805,222
Prepaid Expenses	131,566
Total Current Assets	\$21,234,094

Total Assets	\$21,234,094
	=======================================

# LIABILITIES AND EQUITY

	====	
Total Liabilities and Equity		\$21,234,094
Total Equity		\$4,450,404
Current Year Equity	547,685	
Beginning Balance Equity	4,829,523	
Expenses Paid Direct by CAA	73,199	
Funds Received by CAA	-	
Funds Remitted to CAA	(1,000,000)	
Equity		
Other Liabilities		
Total Current Liabilities		\$16,783,690
Advanced Ticket Sales & Deposits	6,484,818	
Deferred Income	1,192,293	
Accrued Expenses	489,731	
Accounts Payable	8,616,847	
Current Liabilities		

#### SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of July 31, 2023

Current - Under 30 Days	
Food & Beverage	946,182
Ticketing	357,804
Merchandise	105,939
Permanent Advertising	32,000
DeVos Place	(1,036,432)
Operating	107,782
Over 30 Days Over 60 Days	106,963 184,984
Over 90 Days	
Total Accounts Receivable	805,222

#### SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2024

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2023
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	1,751,232	(6,520)	1,744,712	3,663,430
Benchmark++			1,050,000	1,050,000
Excess	1,751,232	(6,520)	694,712	2,613,430

Incentive Fee Calculation (Only if above greater than zero)

		Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee		197,061	197,061	394,122	382,642
Incentive F	ee				
	Revenue	7,106,175	7,983,787	15,089,962	17,345,790
	Benchmark Revenue	6,380,799	5,637,406	12,018,205	11,337,930
	Revenue Excess Incentive Fee **	725,376 93,069	2,346,381 301,053	3,071,757 394,122	6,007,860 382,642
Total SMG	Management Fee	290,130	498,114	788,244	765,284

\*\* 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

То:	Jay Preston, Finance Committee Chairperson CAA Board
From:	Susan Waddell, Administrative Manager
Subject:	Auto Parking System Periodic Reporting
Date:	August 25, 2023

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 4th quarter (FY23) periodic report includes the following information:

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

The City currently holds 120 monthly passes. The County currently holds 187 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 8 between 4/1/23 and 6/30/23.

The County decreased the number of passes out by 5 between 4/1/23 and 6/30/23.

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 120 passes with a total annualized discount of \$144,792.
The County currently holds 187 passes with a total annualized discount of \$225,634.

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

Cc: Richard MacKeigan

	Previous End of			Current Monthly Market Rate Price	Monthly Price Difference
	Quarter Space	Total Spaces End	Space Count	Difference	Variance, Prev
Account	Count Q3 FY23	of Q4 FY23	Change	EOQ*	Quarter
17th Circuit Court	29	31	2	\$3,117.05	\$201.10
KC Facilities					
Management	163	156	-7	\$15,685.80	(\$703.85)
City of GR	112	120	8	\$12,066.00	\$804.40
Total	304	307	3	\$30,868.85	\$301.65
* Current Market Rate is \$159 monthly, City/County Contractual Rate is \$58.45 monthly Effective 7/1/22					



# Memorandum

To:	CAA Board Members
From:	Susan Waddell, Administrative Manager
Date:	August 25, 2023
Re:	Directors' & Officers' Insurance Renewal

The CAA current insurance policy expired on August 23, 2023, and we recently received the renewal coverage proposal. Below is a summary of the renewal proposal:

Total Change       \$ 183         % Change (+ -)       1.0%
Summary of Various Coverages         Limit         Deductible
Liability \$15,000,000 \$0
Terrorism Liability \$5,000,000 \$0
Faithful PerformancePer Statute\$0
Auto Liability - No-FaultPer Statute\$0
Terrorism Property & Crime\$50,000,000\$0
Member's Newly Acquired/
Constructed Property \$10,000,000 \$0
Buildings & Personal Property \$1,010,070 \$0
Fine Art \$2,000,000 \$0
Blanket Employee Fidelity\$1,000,000\$0

The attached Comparison sheet lists the net asset and loss funds distributions to the CAA since 2006. This year's Net Asset Distribution of \$4,400, along with an additional \$1,345 from the State Pool Loss Fund Distribution, equates to a total distribution of \$5,745 to be received after this renewal is processed.

Action Requested: Approve MMRMA insurance renewal proposal.

## GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

# **RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF ADDENDUM IV TO AMENDMENT TO GRAND RAPIDS CIVIC AUDITORIUM AND CONVENTION ENTERTAINMENT CENTER LEASE AGREEMENT WITH AMWAY HOTEL CORPORATION**

Boardmember \_\_\_\_\_, supported by Boardmember \_\_\_\_\_, moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") and the Amway Hotel Corporation ("AHC") entered into an Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (the "Amendment") dated December 11, 2003; and

WHEREAS, the term of the Lease Agreement was amended by the Amendment to extend its term to April 15, 2020, and subsequently the CAA and AHC extended the Lease Agreement through June 30, 2021, and again through June 30, 2023, as the parties engaged in Lease negotiations; and

WHEREAS, the CAA and the AHC have agreed to extend the term of the Lease Agreement, during which time it is the intention of the CAA and AHC to successfully negotiate the terms of a new Agreement.

#### NOW, THEREFORE, BE IT RESOLVED:

1. That Addendum IV to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement ("Addendum IV") between the CAA and AHC extending the term of the Lease Agreement to and including June 30, 2024, in the form presented at this meeting is approved and the Board Vice Chairperson is authorized and directed to execute Addendum IV for and on behalf of the CAA.

2. That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

YEAS:	Boardmembers	
NAYS:	Boardmembers	
ABSTAIN:	Boardmembers	
ABSENT:	Boardmembers	
RESOLUTION DECLARED ADOPTED.		

Dated: August 25, 2023

Susan M. Waddell Administrative Manager/Recording Secretary

# CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager 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 Board of Directors of the CAA at a meeting held on August 25, 2023, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: August 25, 2023

Susan M. Waddell Administrative Manager/Recording Secretary

# ADDENDUM IV TO AMENDMENT TO GRAND RAPIDS CIVIC AUDITORIUM AND CONVENTION ENTERTAINMENT CENTER LEASE AGREEMENT

THIS ADDENDUM IV TO AMENDMENT TO GRAND RAPIDS CIVIC AUDITORIUM AND CONVENTION CENTER LEASE AGREEMENT ("Addendum IV"), is made as of August 25, 2023, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, as assignee of the City of Grand Rapids (the "CAA"), and the **AMWAY HOTEL CORPORATION** ("AHC").

#### RECITALS

A. The CAA and AHC entered into an Amendment to Grand Rapids Civic Auditorium and Convention Center Agreement (the "Amendment") dated December 11, 2003, which amended the Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement (the "Agreement") dated January 3, 1980, between AHC and the City of Grand Rapids (the "City"), which was amended, in addition to the Amendment, by the Grand Center Agreement Amendment dated November 24, 1981, and the Grand Center Agreement Amendment dated April 15, 1985, both between AHC and the City.

B. Pursuant to the provisions of the Amendment, the term of the Agreement was extended through and including June 30, 2020, pursuant to Addendum I to Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease dated February 7, 2020, between the CAA and AHC.

C. The CAA and AHC subsequently extended the term to and including June 30, 2021 and again through June 30, 2023, while negotiating the terms of a new agreement.

D. The CAA and AHC desire to further extend the term of the Agreement while negotiating the terms of a new agreement.

**NOW, THEREFORE,** the CAA and AHC agree, in consideration of their respective representations and obligations in the Agreement and Amendment as follows:

**Section 1. Extension of Term.** The term of the Agreement is extended to and including June 30, 2024.

**Section 2. Negotiation of New Agreement.** During the extended term it is the intention of both the CAA and AHC to successfully negotiate the terms of a new agreement.

**Section 3. Ratification.** Except as otherwise amended by this Addendum IV, the Agreement, as amended, and the Amendment are hereby verified and confirmed.

[signatures on following page]

1

# GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

By: \_\_\_\_\_

......,

Vice Chairperson, Board of Directors

# AMWAY HOTEL CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_