

Agenda

Finance Committee

Friday, February 3, 2023

8:00 a.m.

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

- | | | |
|-----|---|----------------|
| 1. | Call to Order | Richard Winn |
| 2. | Minutes of November 4, 2022, Meeting | Action |
| 3. | Consolidated Financial Statement for the Period Ending December 31, 2022 | Action |
| 4. | ASM Global Financial Statements for Period Ending December 31, 2022 - DeVos Place® and Van Andel Arena® | Information |
| 5. | Resolution Authorizing a Second Memorandum of Understanding Between Grand Rapids-Kent County Convention/Arena Authority and the Grand Action Foundation 2.0 | Action |
| 6. | Auto Parking System Periodic Reporting | Information |
| 7. | Kent County Lodging Excise Tax Fund Q3 2022 | Information |
| 8. | Report from ASM Global | Rich MacKeigan |
| 9. | Self-Assessment by ASM Global | May/November |
| 10. | Public Comment | |
| 11. | Committee Member Comments | |
| 12. | Adjournment | |

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
FINANCE COMMITTEE
300 MONROE AVENUE, NW | GRAND RAPIDS, MI
FRIDAY, NOVEMBER 4, 2022**

Attendance:

Members Present: Jay Preston, Chairperson
M. Scott Bowen
Lew Chamberlin
Jeff Dood
Robert Herr
Joe Jones
Birgit Klohs
Marvin Van Nortwick
Mike Verhulst
Jana Wallace
Richard Winn

Members Absent: Rosalynn Bliss
Mandy Bolter
Jill Ferris

Staff/Others:	Andrea Anderson	City of Grand Rapids
	Kathy Bart	ASM Global
	Tyler Blackport	Interested Citizen
	Tom Burke	IATSE 26
	Scott Gorsline	DP Fox
	Tim Gortsema	Grand Rapids Griffins
	Jen Henkel	ASM Global
	Mark Hodges	Grand Rapids Comic-Con
	Steve Jbara	Grand Rapids Gold
	Hayden Johnson	ASM Global
	Chris Machuta	ASM Global
	Rich MacKeigan	ASM Global
	Mary Manier	Experience Grand Rapids
	Cheri McConomy	McConomy Properties, LLC
	Jackie Morse	ASM Global
	Tim Nelson	Experience Grand Rapids
	John Roskamp	IATSE 26
	Doug Small	Experience Grand Rapids
	Emilee Syrewicze	Opera Grand Rapids
	Eddie Tadlock	ASM Global
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Al Vanderberg	Kent County
	Susan Waddell	CAA
	Mark Washington	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Jessica Wood	Dickinson Wright

1. Call to Order

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

2. Grand Rapids Gold Presentation

Steve Jbara, President of the Grand Rapids Gold, stated that the basketball team is the official NBA G League affiliate of the Denver Nuggets. The G League prepares players, coaches, and staff for the NBA while fostering the League's connection to the community. There are 30 G League teams, with 28 that have one-to-one affiliations with NBA franchises. The Grand Rapids Drive launched in 2014 and was the official affiliate of the Detroit Pistons. The Drive played seven seasons at the Delta Plex and made three playoff appearances. The Drive ended its affiliation with the Pistons and partnered with the Denver Nuggets in 2020, changing its name to Grand Rapids Gold. The Van Andel Arena® is now home to the Gold for the next five seasons. The Gold will play 24 home games, 52 total for the season. The Gold's home opener is Thursday, November 10, 7:00pm. Sunday games are 4:00pm; all other days are 7:00pm. Chair Preston thanked Steve for the presentation, adding it is exciting to see the Gold play at the Arena. Chair Preston also congratulated Steve on being a 2022 "40 Under 40" award recipient from the Grand Rapids Business Journal.

3. Minutes of Prior Meeting

Motion by Ms. Klohs, support by Mr. Herr, to approve the August 5, 2022, Minutes, as corrected. Motion carried.

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

Chris Machuta and Cheri McConomy presented the financial statements for the period ending September 30, 2022. Operating income is trending ahead of budget, and the forecast for the balance of the fiscal year anticipates a \$200,000 improvement in revenues. The auditors have completed their field work and have forecast a FY 2022 fund balance of \$27.6 million. The updated roll estimates that \$4.5 million of fund balance will be earmarked for capital projects. Several significant capital projects are underway.

Motion by Ms. Wallace, support by Ms. Klohs, to recommend CAA Board acceptance of the September 30, 2022, Consolidated Financial Statements. Motion carried.

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

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

6. Auto Parking System Periodic Reporting

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

7. Resolution Approving and Authorizing the Execution of Addendum I to Operating Agreement Between the County of Kent and City of Grand Rapids

Attorney Richard Wendt summarized the pertinent provisions of Addendum I that amends the Operating Agreement.

Motion by Ms. Klohs, support by Mr. Herr, to recommend CAA Board approval of the Resolution Approving and Authorizing the Execution of Addendum I to the Operating Agreement Between the County of Kent and City of Grand Rapids. Motion carried.

8. ASM Global Report and Facilities Calendars

Mr. MacKeigan provided the event schedule through the end of the calendar year. Comedy shows continue to be strong and a number are scheduled for both the Arena and DeVos Performance Hall. Runners in the Turkey Trot 5K will cross the finish line in the Arena. In December, the Arena will host the Great Lakes Invitational Hockey Tournament. This marks the first year since it was founded in 1965 that the tournament has not been played in Detroit.

9. ASM Self-Assessment

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

10. Public Comment

Micah Perkins, Michigan Building & Construction Trades Council, spoke in support of the amphitheater and the highly skilled men and women in Michigan's building trades. Mr. Perkins reiterated the Council's commitment to sustainability for communities.

11. Committee Member Comments

None.

12. Adjournment

The meeting adjourned at 8:30 a.m.



Consolidated Financial Report
December 31, 2022

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GRAND RAPIDS-KENT COUNTY

CONVENTION / ARENA AUTHORITY

Financial Dashboard
Year-To-Date (6 Months)
December 31, 2022

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	37	30	45	13	17	13
Attendance	192,755	209,500	264,423	89,817	138,000	115,900
Event Income	\$ 2,573,121	\$ 3,360,123	\$ 4,161,128	\$ 1,331,415	\$ 1,731,678	\$ 1,724,514
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	163	172	205	46	102	74
Attendance	102,576	213,410	218,661	33,470	102,710	81,529
Event Income	\$ 1,990,897	\$ 2,691,641	\$ 3,412,356	\$ 815,187	\$ 1,712,596	\$ 1,391,205
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 10,015,866	\$ 188,324	\$ 1,823,380
Capital/Repair/Replacement				(35,959)	(2,059,857)	(2,059,857)
Net - To/(From) on Fund Balance				\$ 9,979,907	\$ (1,871,533)	\$ (236,477)

***NOTES:**

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

Grand Rapids-Kent County Convention/Arena Authority

Summary by Facility/Other

Fiscal Year Ending June 30, 2023

FY 2023

	7/1 - 12/31/22			
	Year-to-Date	Roll	Estimate⁽¹⁾	Budget
Van Andel Arena				
Operating - Revenues	\$ 4,161,128	\$ 3,457,850	\$ 7,618,978	\$ 6,642,366
- Expenses - Facilities	(2,563,664)	(2,482,833)	(5,046,497)	(4,858,170)
- Base Management Fees	(92,915)	(98,406)	(191,321)	(191,321)
- Incentive Fee	-	(189,498)	(189,498)	-
Net Operating Income (Loss)	1,504,549	687,113	2,191,662	1,592,875
Parking	272,449	115,381	387,830	387,830
Pedestrian Safety	-	(65,000)	(65,000)	(65,000)
Net Proceeds (Cost) of VAA	1,776,998	737,494	2,514,492	1,915,705
DeVos Place Convention Center				
Operating - Revenues	3,412,356	3,536,085	6,948,441	6,229,122
- Expenses - Facilities	(3,602,553)	(3,587,214)	(7,189,767)	(7,086,270)
- Base Management Fees	(95,155)	(96,166)	(191,321)	(191,321)
- Incentive Fee	-	(193,144)	(193,144)	-
Net Operating Income (Loss)	(285,352)	(340,439)	(625,791)	(1,048,469)
Parking	691,279	563,642	1,254,921	1,254,921
Pedestrian Safety	-	(36,000)	(36,000)	(36,000)
Net Proceeds (Cost) of DVP	405,927	187,203	593,130	170,452
Other				
Revenues	114,696	53,304	168,000	168,000
Expenses	(474,241)	(619,899)	(1,094,140)	(1,094,140)
Net Other	(359,545)	(566,595)	(926,140)	(926,140)
Total Net Proceeds/Operating	1,823,380	358,102	2,181,482	1,160,017
Capital/Repair Expenditures	(2,059,857)	(4,019,143)	(6,079,000)	(6,079,000) ⁽²⁾
Results Net of Capital/Repair Expenditures	\$ (236,477)	\$ (3,661,041)	\$ (3,897,518)⁽³⁾	\$ (4,918,983)

Notes:

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

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

(3) At fiscal year end, estimated Unrestricted Fund Balance will total approximately \$23,696,307

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

FY 2023 Eligible Projects:		Budget	Actual 7/1-12/31/22	Roll	Appropriation Lapse
Van Andel Arena®					
	Suite Refresher	350,000		350,000	
	Ice Plant Refrigeration Change	90,000	\$ 64,775	25,225	
	Trash Compactor	50,000		50,000	
	New Condensor Coil	185,000		185,000	
	Custom Air Handler Damper Replacement	110,000	\$ 114,522	(4,522)	
	Total VAA	785,000	179,297	605,703	-
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)	943,544	528,456	
	Performance Hall Seating	350,000	1,275	348,725	
	Theater Box Seats	50,000		50,000	
	Ballroom Lighting & Controls	2,100,000	571,677	1,528,323	
	Trash Compactor	50,000		50,000	
	Total DVP	4,322,000	1,516,496	2,805,504	-
Both Venues					
	Radio System Upgrade	100,000		100,000	
	Small Motor Equipment	60,000	40,662	19,338	
	Computers and Accessories	150,000	98,243	51,757	
	X-Ray Inspection Systems	33,100	33,100	-	
	Total Both Venues	343,100	172,005	171,095	-
Carryover (FY20& FY22) Projects					
DVP	New Sound System	183,788	138,226	45,562	
VAA	Cooling Tower/Condenser Coil	30,000		30,000	
VAA	Wireless Communication Devices	45,000	53,833	(8,833)	
VAA	Suite Refresher	370,112		370,112	
	Total Carryover	628,900 (1)	192,059	436,841	-
Total FY 2023 Capital Budget		\$ 6,079,000	\$ 2,059,857	\$ 4,019,143	\$ -

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.

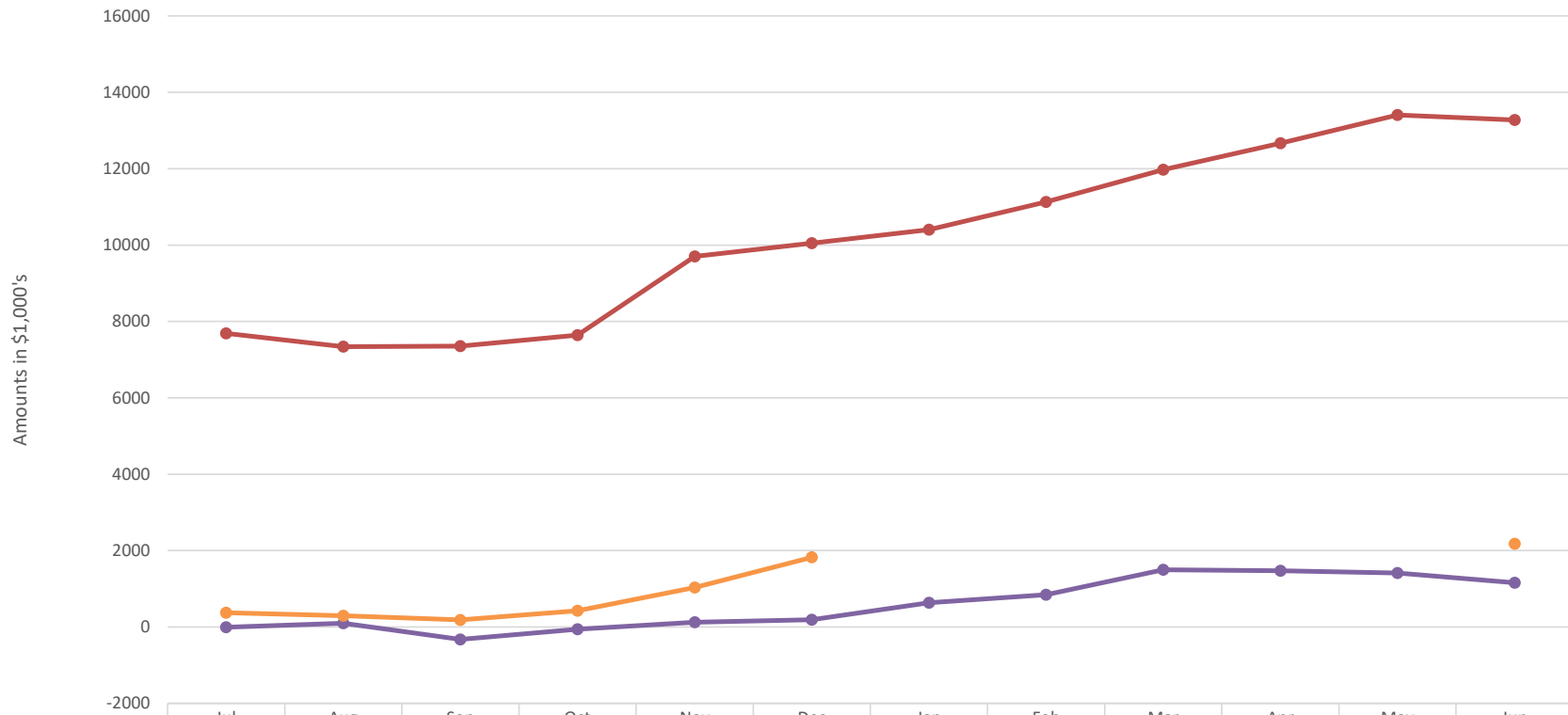
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2023

	Annual			Year-To-Date		
	FY 2022	FY 2023	Change	FY 2022	FY 2023	Change
	Final (Audited)	Budget	Positive	7/1-12/31/21	7/1 - 12/31/22	Positive
			(Negative)			(Negative)
Van Andel Arena						
Operating - Revenues	\$ 7,934,764	\$ 6,642,366	-16.3%	\$ 2,573,121	\$ 4,161,128	61.7%
- Expenses - Facilities	(4,108,004)	(4,858,170)	-18.3%	(1,764,673)	(2,563,664)	45.3%
- Base Management Fees	(185,746)	(191,321)	-3.0%	(90,169)	(92,915)	3.0%
- Incentive Fee	(240,472)	-	-	-	-	-
Net Operating Income (Loss)	3,400,542	1,592,875	53.2%	718,279	1,504,549	109.5%
Parking	371,385	387,830	4.4%	160,237	272,449	70.0%
Pedestrian Safety	(95,620)	(65,000)	-100.0%	(12,374)	-	-100.0%
Net Proceeds (Cost) of VAA	3,676,307	1,915,705	-91.9%	866,142	1,776,998	105.2%
DeVos Place Convention Center						
Operating - Revenues	6,202,108	6,229,122	0.4%	1,990,897	3,412,356	71.4%
- Expenses - Facilities	(6,644,386)	(7,086,270)	-6.7%	(2,843,411)	(3,602,553)	26.7%
- Base Management Fees	(185,749)	(191,321)	-3.0%	(90,169)	(95,155)	5.5%
- Incentive Fee	(131,025)	-	-	-	-	0.0%
Net Operating Income (Loss)	(759,052)	(1,048,469)	-38.1%	(942,683)	(285,352)	69.7%
Parking	1,071,815	1,254,921	17.1%	427,451	691,279	61.7%
Pedestrian Safety	(29,512)	(36,000)	22.0%	(5,212)	-	-100.0%
Net Proceeds (Cost) of DVP	283,251	170,452	-66.2%	(520,444)	405,927	178.0%
Other						
Revenues	10,624,750	168,000	-98.4%	10,060,111	114,696	-98.9%
Expenses	(871,057)	(1,094,140)	-25.6%	(389,943)	(474,241)	21.6%
Net Other	9,753,693	(926,140)	-81.0%	9,670,168	(359,545)	-103.7%
Total Net Proceeds/Operating	13,713,251	1,160,017	78.0%	10,015,866	1,823,380	-81.8%
Capital/Repair Expenditures	(1,051,672)	(6,079,000)	52.0%	(35,959)	(2,059,857)	-5628.3%
Results Net of Capital Expenditures	\$ 12,661,579	\$ (4,918,983)	71.0%	\$ 9,979,907	\$ (236,477)	-102.4%

NOTES: Combined net proceeds of VAA & DVP is just over \$965,000 improvement over same point prior fiscal year.

CAA Trends

Monthly Net Operating Proceeds through December 31, 2022



Accumulative Net Proceeds by Month

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

	Annual			Actual		
	FY 2022	FY 2023	Change	FY 2022	FY 2023	Change
	Final (Audited)	Budget	Positive	7/1-12/31/22	7/1-12/31/23	Positive
			(Negative)			(Negative)
Other						
Revenues						
Interest/Capital Contr.	\$ 144,201	\$ 100,000	-30.7%	\$ 60,111	\$ 112,896	87.8%
Miscellaneous	10,480,549	68,000	-99.4%	10,000,000	1,800	-100.0%
	10,624,750	168,000	-98.4%	10,060,111	114,696	-98.9%
Expenses						
Arena 25-Year Recognition/New						
Venue Awareness	39,626	100,000	-100.0%	44,975	-	100.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	66,667	66,667	0.0%
Diversity Initiative	9,817	200,000	-1937.3%	2,906	67,147	-2210.6%
Wages/Benefits	147,035	111,800	24.0%	60,989	33,746	44.7%
Professional Services	167,381	135,570	19.0%	56,412	93,372	-65.5%
DID Assessment	63,806	65,720	-3.0%	63,806	66,646	-4.5%
Food & Beverage Repairs	-	45,000	-100.0%	-	-	0%
Consulting Services	132,561	143,165 ⁽¹⁾	-8.0%	40,580	46,857	-15.5%
Landscaping	25,909	27,810	-7.3%	3,526	11,280	-219.9%
Procurement of Art	25,958	30,000	-100.0%	10,237	25,283	-147.0%
Insurance	19,392	25,075	-29.3%	25,075	25,542	-1.9%
Supplies/Other	39,572	10,000	74.7%	14,771	37,701	-155.2%
	871,057	1,094,140	-25.6%	389,943	474,241	-21.6%
Net Proceeds - Operating	\$ 9,753,693	\$ (926,140)	109.5%	\$ 9,670,168	\$ (359,545)	-103.7%

Notes:

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

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Distribution:

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



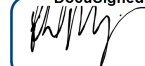
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2023

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	205	227	432	368	64
ATTENDANCE	218,661	403,650	622,311	563,920	58,391
DIRECT EVENT INCOME	1,361,970	2,135,880	3,497,850	3,431,950	65,900
ANCILLARY INCOME	1,420,659	1,106,643	2,527,302	2,208,772	318,530
OTHER EVENT INCOME	575,473	249,157	824,630	538,400	286,230
TOTAL EVENT REVENUE	3,358,102	3,491,680	6,849,782	6,179,122	670,660
TOTAL OTHER REVENUE	54,254	44,405	98,659	50,000	48,659
TOTAL OPERATING REVENUE	3,412,356	3,536,085	6,948,441	6,229,122	719,319
INDIRECT EXPENSES					
EXECUTIVE	111,699	163,151	274,850	296,040	21,190
FINANCE	153,036	175,594	328,630	338,129	9,499
MARKETING	107,480	107,066	214,546	214,546	-
OPERATIONS	711,237	836,613	1,547,850	1,734,993	187,143
EVENT SERVICES	1,019,140	767,449	1,786,589	1,520,809	(265,780)
BOX OFFICE	125,029	177,850	302,879	321,544	18,665
SALES	234,620	343,254	577,874	582,879	5,005
OVERHEAD	1,235,466	1,112,404	2,347,870	2,268,651	(79,219)
TOTAL OPERATING EXP.	3,697,708	3,683,381	7,381,088	7,277,591	(103,497)
NET REVENUE ABOVE EXPENSES	(285,352)	(147,296)	(432,647)	(1,048,469)	615,822
INCENTIVE FEE		193,144	193,144	0	(193,144)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(285,352)	(340,440)	(625,791)	(1,048,469)	422,678

Comments:

DeVos Place concludes the first half of the fiscal year having performed very well as compared to budget overall.

DocuSigned by:



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General Manager

DocuSigned by:



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Assistant General Manager

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

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

MONTH	December Actual	December Budget	December FY 2022
Number of Events	37	28	31
Attendance	47,510	39,950	34,747
Direct Event Income	\$239,914	\$202,869	\$241,255
Ancillary Income	251,735	137,146	143,443
Other Event Income	159,697	53,900	122,623
Other Operating Income	15,723	4,166	11,607
Indirect Expenses	(802,717)	(606,470)	(636,432)
Net Income	(\$135,648)	(\$208,389)	(\$117,504)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	205	172	163
Attendance	218,661	213,410	102,576
Direct Event Income	\$1,361,970	\$1,398,412	\$965,551
Ancillary Income	1,420,659	1,020,433	677,065
Other Event Income	575,473	247,800	305,429
Other Operating Income	54,254	24,996	42,852
Indirect Expenses	(3,697,708)	(3,638,820)	(2,933,580)
Net Income	(\$285,352)	(\$947,179)	(\$942,683)

EVENT INCOME

Event income came in well ahead of budget overall as the theater had very strong non-arts group events highlighted with Cocomelon and Christmas Vacation/Chevy Chase event.

ANCILLARY INCOME

Ancillary income came in well ahead of budget for the month due to higher than anticipated spending on a couple of the convention/trade shows hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month.

DeVos Place
Income Statement
For the Six Months Ended December 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	\$304,448	\$198,919	\$ 105,529	\$257,029	\$1,701,195	\$1,405,152	\$ 296,043	\$1,026,383
Service Revenue	415,215	275,963	139,252	265,336	1,792,709	1,491,554	301,155	989,766
Service Expenses	(479,749)	(272,013)	(207,736)	(281,110)	(2,131,934)	(1,498,294)	(633,640)	(1,050,598)
Total Direct Event Income	239,914	202,869	37,045	241,255	1,361,970	1,398,412	(36,442)	965,551
Ancillary Income								
F&B Concession	36,776	17,071	19,705	22,819	147,686	71,153	76,533	75,434
F&B Catering	85,840	46,906	38,934	30,525	539,801	381,140	158,661	210,306
Novelty Sales	2,656	300	2,356	0	19,218	5,580	13,638	8,173
Booth Cleaning	25,209	14,182	11,027	22,226	163,871	127,259	36,612	97,570
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	51,551	18,953	32,598	33,185	214,099	165,266	48,833	101,119
Audio Visual	18,573	15,842	2,731	9,173	187,362	145,541	41,821	89,454
Internet Services	10,894	4,586	4,764	5,681	61,430	39,658	21,772	22,559
Equipment Rental	20,236	19,306	930	19,834	87,192	84,836	2,356	72,450
Total Ancillary Income	251,735	137,146	114,589	143,443	1,420,659	1,020,433	400,226	677,065
Other Event Income								
Ticket Rebates(Per Event)	159,697	53,900	105,797	122,623	575,473	247,800	327,673	305,429
Total Other Event Income	159,697	53,900	105,797	122,623	575,473	247,800	327,673	305,429
Total Event Income	651,346	393,915	257,431	507,321	3,358,102	2,666,645	691,457	1,948,045
Other Operating Income								
Luxury Box Agreements	804	1,333	(529)	0	4,825	7,998	(3,173)	0
Advertising	0	1,000	(1,000)	0	0	6,000	(6,000)	0
Other Income	14,919	1,833	13,086	11,607	49,429	10,998	38,431	42,852
Total Other Operating Income	15,723	4,166	11,557	11,607	54,254	24,996	29,258	42,852
Adjusted Gross Income	667,069	398,081	268,988	518,928	3,412,356	2,691,641	720,715	1,990,897
Operating Expenses								
Salaries and Wages	680,787	315,797	364,990	484,022	2,486,340	1,894,782	591,558	1,828,225
Payroll Taxes and Benefits	177,246	99,956	77,290	130,699	742,050	599,736	142,314	595,828
Labor Allocations to Events	(444,508)	(152,700)	(291,808)	(319,087)	(1,726,310)	(916,200)	(810,110)	(1,200,143)
Net Salaries and Benefits	413,525	263,053	150,472	295,634	1,502,080	1,578,318	(76,238)	1,223,910
Contracted Services	51,462	39,217	12,245	38,059	306,128	235,302	70,826	197,950
General and Administrative	34,716	39,603	(4,887)	46,545	271,515	237,618	33,897	184,521
Operations	1,333	13,852	(12,519)	3,146	106,734	83,112	23,622	63,287
Repair and Maintenance	37,930	48,667	(10,737)	45,765	272,236	292,002	(19,766)	280,187
Operational Supplies	36,587	25,675	10,912	26,649	133,612	154,050	(20,438)	102,191
Insurance	39,148	32,725	6,423	28,195	200,242	196,350	3,892	126,641
Utilities	172,073	127,734	44,339	137,411	810,006	766,404	43,602	664,724
SMG Management Fees	15,943	15,944	(1)	15,028	95,155	95,664	(509)	90,169
Total Operating Expenses	802,717	606,470	196,247	636,432	3,697,708	3,638,820	58,888	2,933,580
Net Income(Loss) From Operatic	(135,648)	(208,389)	72,741	(117,504)	(285,352)	(947,179)	661,827	(942,683)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(135,648)	(208,389)	72,741	(117,504)	(285,352)	(947,179)	661,827	(942,683)

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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	74	102	81,529	102,710	1,391,205	1,712,596
Consumer/Gated Shows	6	6	13,603	14,000	90,068	102,033
DeVos Performance Hall	68	58	92,956	84,700	1,094,539	699,390
Banquets	16	-	11,736	-	166,583	-
Meetings	31	6	8,827	12,000	509,914	152,626
Other	10	-	10,010	-	105,792	-
GRAND TOTALS	205	172	218,661	213,410	3,358,102	2,666,645

As Percentage of Overall

Convention/Trade Shows	36.10%	59.30%	37.29%	48.13%	41.43%	64.22%
Consumer/Gated Shows	2.93%	3.49%	6.22%	6.56%	2.68%	3.83%
Devos Performance Hall	33.17%	33.72%	42.51%	39.69%	32.59%	26.23%
Ballroom Exclusive	7.80%	0.00%	5.37%	0.00%	4.96%	0.00%
Meetings	15.12%	3.49%	4.04%	5.62%	15.18%	5.72%
Other	4.88%	0.00%	4.58%	0.00%	3.15%	0.00%

**DeVos Place
Balance Sheet
As of December 31, 2022**

ASSETS

Current Assets

Cash	2,751,607
Account Receivable	1,521,578
Prepaid Expenses	312,829

Total Current Assets	\$4,586,014	
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Total Assets	\$4,586,014	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	304,150
Accrued Expenses	61,757
Deferred Income	363,453
Advanced Ticket Sales & Deposits	2,887,339

Total Current Liabilities	\$3,616,699	
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Other Liabilities

Equity

Funds Remitted to CAA	(33,000)
Funds Received by CAA	
Expenses Paid Direct by CAA	790,788
Beginning Balance Equity	496,878
Current Year Equity	(285,352)

Total Equity	\$969,314	
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Total Liabilities and Equity	\$4,586,014	
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2022

Current - Under 30 Days	
Food & Beverage	122,616
Ticketing	51,549
Merchandise	-
Decorating	25,208
Audio/Visual	18,572
Van Andel Arena	514,842
Operating	607,553
 Over 30 Days	 102,980
 Over 60 Days	 78,258
 Over 90 Days	
 Total Accounts Receivable	 1,521,578

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Actual
Net Revenue above Expenses	2,381,160	(432,647)	1,948,513	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	2,381,160	(432,647)	898,513	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	7,618,978	6,948,441	14,567,419	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	1,599,356	1,630,133	3,229,489	3,687,167
Incentive Fee **	189,498	193,144	382,642	371,497
Total SMG Management Fee	380,819	384,465	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 DECEMBER 31, 2022

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



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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	45	68	113	86	27
ATTENDANCE	264,423	343,000	607,423	561,500	45,923
DIRECT EVENT INCOME	869,444	734,295	1,603,739	1,401,940	201,799
ANCILLARY INCOME	1,288,066	1,006,055	2,294,121	1,716,326	577,795
OTHER EVENT INCOME	848,286	502,500	1,350,786	1,195,500	155,286
TOTAL EVENT INCOME	3,005,796	2,242,850	5,248,646	4,313,766	934,880
TOTAL OTHER INCOME	1,155,332	1,215,000	2,370,332	2,328,600	41,732
TOTAL INCOME	4,161,128	3,457,850	7,618,978	6,642,366	976,612
INDIRECT EXPENSES					
EXECUTIVE	128,495	164,495	292,990	291,542	(1,448)
FINANCE	126,763	142,986	269,749	282,455	12,706
MARKETING	162,335	174,874	337,209	327,145	(10,064)
OPERATIONS	1,336,771	1,216,347	2,553,118	2,342,866	(210,252)
BOX OFFICE	113,853	135,236	249,089	284,042	34,953
SKYWALK ADMIN	9,875	12,650	22,525	54,100	31,575
OVERHEAD	778,488	734,650	1,513,138	1,467,341	(45,797)
TOTAL INDIRECT EXP.	2,656,579	2,581,238	5,237,818	5,049,491	(188,327)
NET REVENUE ABOVE EXPENSES	1,504,549	876,612	2,381,160	1,592,875	788,285
LESS INCENTIVE FEE		189,498	189,498	-	(189,498)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,504,549	687,114	2,191,662	1,592,875	598,787

Comments:

December marks the end of a very successful first half of the fiscal year for the Arena. The second half is projected to finish a little ahead of budget that should result in the Arena finishing the fiscal year almost \$800K ahead of budget.

DocuSigned by:



7ECB040AF99F405...
General Manager

DocuSigned by:



408EBDBB52E245A...
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	December Actual	December Budget	December FY 2022
Number of Events	15	8	12
Attendance	95,958	56,500	62,598
Direct Event Income	\$429,343	\$183,595	\$175,096
Ancillary Income	399,728	137,196	207,379
Other Event Income	288,225	153,000	152,848
Other Operating Income	243,802	205,722	178,724
Indirect Expenses	(541,849)	(420,794)	(386,933)
Net Income	<u>\$819,249</u>	<u>\$258,719</u>	<u>\$327,114</u>

YTD	YTD 2023 Actual	YTD 2023 Budget	YTD 2022 Prior Year
Number of Events	45	30	37
Attendance	264,423	209,500	192,755
Direct Event Income	\$869,444	\$737,245	\$729,151
Ancillary Income	1,288,066	724,296	748,740
Other Event Income	848,286	693,000	541,688
Other Operating Income	1,155,332	1,205,582	553,542
Indirect Expenses	(2,656,579)	(2,524,764)	(1,854,842)
Net Income	<u>\$1,504,549</u>	<u>\$835,359</u>	<u>\$718,279</u>

EVENT INCOME

Income came in well ahead of budget on TSO, Great Lakes Invitational, and 2 additional sold out concerts.

ANCILLARY INCOME

Ancillary income finished well ahead of budget on strong per caps for Great Lakes Invitational and Grand Rapids Griffins games.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month.

Van Andel Arena
Income Statement
For the Six Months Ended December 31, 2022

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$ 680,130	\$ 232,595	\$ 447,535	\$ 341,767	\$ 1,510,576	\$ 1,026,245	\$ 484,331	\$ 1,153,448
Service Revenue	400,310	244,000	156,310	392,753	1,909,669	1,164,000	745,669	1,151,707
Service Expenses	(651,097)	(293,000)	(358,097)	(559,424)	(2,550,801)	(1,453,000)	(1,097,801)	(1,576,004)
Total Direct Event Income	429,343	183,595	245,748	175,096	869,444	737,245	132,199	729,151
Ancillary Income								
F&B Concession	355,948	117,359	238,589	174,947	1,098,856	606,959	491,897	634,729
F&B Catering	33,534	11,719	21,815	17,176	108,698	62,419	46,279	51,500
Novelty Sales	9,942	8,118	1,824	11,756	79,572	54,918	24,654	58,916
Booth Cleaning	304	-	304	-	304	-	304	-
Audio Visual	-	-	-	-	636	-	636	95
Other Ancillary	-	-	-	3,500	-	-	-	3,500
Total Ancillary Income	399,728	137,196	262,532	207,379	1,288,066	724,296	563,770	748,740
Other Event Income								
Ticket Rebates(Per Event)	288,225	153,000	135,225	152,848	848,286	693,000	155,286	541,688
Total Other Event Income	288,225	153,000	135,225	152,848	848,286	693,000	155,286	541,688
Total Event Income	1,117,296	473,791	643,505	535,323	3,005,796	2,154,541	851,255	2,019,579
Other Operating Income								
Luxury Box Agreements	146,873	147,638	(765)	140,724	793,135	857,078	(63,943)	424,626
Advertising	48,000	52,084	(4,084)	38,000	308,270	312,504	(4,234)	114,000
Other Income	48,929	6,000	42,929	-	53,927	36,000	17,927	14,916
Total Other Operating Income	243,802	205,722	38,080	178,724	1,155,332	1,205,582	(50,250)	553,542
Adjusted Gross Income	1,361,098	679,513	681,585	714,047	4,161,128	3,360,123	801,005	2,573,121
Operating Expenses								
Salaries and Wages	352,230	201,334	150,896	253,067	1,526,237	1,208,004	318,233	903,940
Payroll Taxes and Benefits	101,812	60,119	41,693	75,328	460,603	360,714	99,889	302,911
Labor Allocations to Events	(197,397)	(82,886)	(114,511)	(162,776)	(869,360)	(497,316)	(372,044)	(455,953)
Net Salaries and Benefits	256,645	178,567	78,078	165,619	1,117,480	1,071,402	46,078	750,898
Contracted Services	33,199	36,600	(3,401)	26,377	211,607	219,600	(7,993)	140,651
General and Administrative	39,261	33,831	5,430	48,126	250,762	202,986	47,776	194,034
Operations	4,917	7,184	(2,267)	1,394	34,316	43,104	(8,788)	14,110
Repair and Maintenance	24,009	31,375	(7,366)	22,342	245,924	188,250	57,674	133,291
Operational Supplies	21,656	23,017	(1,361)	10,578	126,321	138,102	(11,781)	79,454
Insurance	54,607	23,667	30,940	31,057	169,592	142,002	27,590	112,994
Utilities	91,612	70,609	21,003	66,412	407,662	423,654	(15,992)	339,241
SMG Management Fees	15,943	15,944	(1)	15,028	92,915	95,664	(2,749)	90,169
Total Operating Expenses	541,849	420,794	121,055	386,933	2,656,579	2,524,764	131,815	1,854,842
Net Income(Loss) From Operations	819,249	258,719	560,530	327,114	1,504,549	835,359	669,190	718,279
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	819,249	258,719	560,530	327,114	1,504,549	835,359	669,190	718,279

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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	1	-	4,284	-	93,816	-
Sporting Event	3	-	15,064	-	317,060	-
Concert	13	17	115,900	138,000	1,724,514	1,731,678
Team Home Games	21	13	76,235	71,500	77,438	202,605
Other	7		52,940		792,968	220,258
GRAND TOTALS	45	30	264,423	209,500	3,005,796	2,154,541

As Percentage of Overall

Family Show	2.22%	0.00%	1.62%	0.00%	3.12%	0.00%
Sporting Event	6.67%	0.00%	5.70%	0.00%	10.55%	0.00%
Concert	28.89%	56.67%	43.83%	65.87%	57.37%	80.37%
Team Home Games	46.67%	43.33%	28.83%	34.13%	2.58%	9.40%
Other	15.56%	0.00%	20.02%	0.00%	26.38%	10.22%

Van Andel Arena
Balance Sheet
As of December 31, 2022

ASSETS

Current Assets

Cash	16,771,836
Account Receivable	1,729,839
Prepaid Expenses	216,431

Total Current Assets	\$18,718,106	
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Total Assets	\$18,718,106	
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	2,518,617
Accrued Expenses	544,179
Deferred Income	3,305,587
Advanced Ticket Sales & Deposits	9,396,140

Total Current Liabilities	\$15,764,523	
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Other Liabilities

Equity

Funds Remitted to CAA	(2,500,000)
Funds Received by CAA	-
Expenses Paid Direct by CAA	389,939
Beginning Balance Equity	3,559,095
Current Year Equity	1,504,549

Total Equity	\$2,953,583	
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Total Liabilities and Equity	\$18,718,106	
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of December 31, 2022

Current - Under 30 Days	
Food & Beverage	640,390
Ticketing	592,631
Merchandise	2,137
Permanent Advertising	-
DeVos Place	(312,819)
Operating	368,556
 Over 30 Days	 113,457
 Over 60 Days	 325,487
 Over 90 Days	
 Total Accounts Receivable	 1,729,839

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Actual
Net Revenue above Expenses	2,381,160	(432,647)	1,948,513	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	2,381,160	(432,647)	898,513	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	7,618,978	6,948,441	14,567,419	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	1,599,356	1,630,133	3,229,489	3,687,167
Incentive Fee **	189,498	193,144	382,642	371,497
Total SMG Management Fee	380,819	384,465	765,284	742,994

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

++ SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.

Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.

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

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

**RESOLUTION AUTHORIZING A SECOND MEMORANDUM OF
UNDERSTANDING BETWEEN THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY AND THE GRAND ACTION
FOUNDATION 2.0**

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

WHEREAS, the CAA is an authority created by the City of Grand Rapids (the “City”) and the County of Kent (the “County”) pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, of the development and operation of certain facilities including entertainment facilities including a public outdoor amphitheater; and

WHEREAS, GA2.0 is a 501c(3) organization and a Michigan nonprofit corporation formed for civic purposes including gaining private and public support for public facilities including a public outdoor amphitheater; and

WHEREAS, for the past three years the CAA and GA2.0 have worked together with the City and others toward the development, funding and construction of a public outdoor amphitheater to be located at, or in the vicinity of, 201 Market Avenue in the City (the “Amphitheater”); and

WHEREAS, the CAA currently holds the Option to purchase certain real property consisting of approximately 15.8 acres located at 201, 225, 233, 301, and 353 Market Avenue (the “201 Market Property”); and

WHEREAS, the CAA and GA2.0 previously entered into an MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Amphitheater (the “MOU”); and .

WHEREAS, the CAA and GA2.0 now wish to enter into a second MOU (the “Second MOU”) for the purpose of reaching an agreement regarding the development of the parcels surrounding, and related to, the Amphitheater.

RESOLVED:

1. That the CAA determines to enter a Second Memorandum of Understanding with GA2.0 in order to further the development of the parcels surrounding and related to the Amphitheater and the Chairperson of the Board is authorized and directed to execute said agreement.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: February 3, 2023

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on February 3, 2023, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 3, 2023

Susan M. Waddell
Administrative Manager/Recording Secretary

SECOND MEMORANDUM OF UNDERSTANDING

THIS SECOND MEMORANDUM OF UNDERSTANDING (the “SECOND MOU”) is entered into on _____, 2023 (the “Effective Date”), between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY** (the “CAA”) and the **GRAND ACTION FOUNDATION 2.0** (“GA2.0”).

RECITALS

A. The CAA is an authority created by the City of Grand Rapids (the “City”) and the County of Kent (the “County”) pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, of the development and operation of certain facilities including entertainment facilities including a public outdoor amphitheater.

B. GA2.0 is a 501c(3) organization and a Michigan nonprofit corporation formed for civic purposes including gaining private and public support for public facilities including a public outdoor amphitheater.

C. For the past three years the CAA and GA2.0 have worked together with the City and others toward the development, funding and construction of a public outdoor amphitheater to be located at, or in the vicinity of, 201 Market Avenue in the City (the “Amphitheater”).

D. The CAA currently holds the Option to purchase certain real property consisting of approximately 15.8 acres located at 201, 225, 233, 301, and 353 Market Avenue (the “201 Market Property”).

E. The CAA and GA2.0 previously entered into an MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Amphitheater (the “MOU”).

F. The CAA and GA2.0 now wish to enter into this second MOU (the “Second MOU”) for the purpose of reaching an agreement regarding the development of the parcels surrounding, and related to, the Amphitheater.

UNDERSTANDING

1. Development of Parcels Surrounding and Related to Amphitheater. Subject to the terms and conditions of this Second MOU, the CAA shall develop or cause to be developed the parcels surrounding and related to the Amphitheater, in accordance with the CAA’s Articles of Organization and Operating Agreement both dated March 29, 2000, as amended, in such a way that compliments the Amphitheater.

2. Continuing Support of GA2.0. Consistent with GA2.0’s purposes of assisting governmental bodies and public-private partnerships, among others, in planning, promoting, and developing civic, cultural, entertainment, and other facilities, with the goal of fostering economic, educational, social, and cultural development, GA2.0 shall continue its relationship with the CAA by providing ongoing support in the development of the parcels surrounding and related to the Amphitheater through advice, oversight and direction to the CAA, including initiating

communication and solicitation of proposals for development of such parcels in a manner complementary to the Amphitheater, in accordance with this Second MOU.

3. Work-Product. Upon request, GA2.0 will provide, and where required assign, to the CAA all existing design, budgeting and research work related to the development of the parcels surrounding and related to the Amphitheater.

4. Contracts and Agreements. Upon request, GA2.0 will assign and the CAA will accept and assume all currently existing and future agreements and contracts related to the development of the parcels surrounding and related to the Amphitheater, including the substitution of the CAA for GA2.0 with respect to the benefits, rights and obligations under such agreements and contracts or the CAA may sign such original agreements directly with the contract providers. Each such agreement shall be subject to its approval by the CAA as to content and form.

5. Design/Build Committee. Upon execution of this Second MOU, the Design/Building Committee created pursuant to the first MOU and comprised of representatives of the CAA, GA2.0, the City, and the County shall continue to meet and shall review and consider appropriate development proposals received in relation to development of the surrounding parcels.

6. Representations and Warranties. The CAA and GA2.0 hereby each represent, warrant and covenant that: (i) it shall comply with all applicable federal, state and local laws, rules and regulations in carrying out its obligations hereunder; (ii) it has the power and authority to execute and deliver this Second MOU and to perform its obligations hereunder, and the execution, delivery and performance of this Second MOU has been duly and validly authorized and approved; (iii) the execution, delivery and performance by each in accordance with the terms herein of this Second MOU (1) does not and will not constitute a violation or a breach of, or constitute a default under (x) its organizational documents, (y) any applicable law, or (z) any material agreements to which it is a party; (iv) there are no claims, demands, actions or proceedings pending, or to its knowledge, threatened against it that could either individually or in the aggregate reasonably be expected to have a material adverse effect on its ability to perform its obligations hereunder; (v) each is duly formed, validly existing and in good standing under the laws of the State of Michigan, with full power and authority to conduct its business as presently conducted; (vi) this Second MOU has been duly executed and delivered by each; and (vii) the execution, delivery and performance of this Second MOU by each does not require approval by any person except to the extent provided herein with respect to certain third party approvals.

7. Relationship of Parties. It is mutually understood and agreed that the CAA and GA2.0 and their respective employees and agents are at all times acting and performing separately and independently of each other and shall in no way or manner represent themselves as agents or employees of the other party. As such, no party shall incur any expenses nor create any liens, encumbrances or legal obligations in the other party's name or against the other party's interests except as contemplated by this Second MOU. This Second MOU shall not create a joint venture, partnership, or relationship of principal and agent or employer and employee between the CAA and GA2.0, except as contemplated by this Second MOU.

IN WITNESS WHEREOF, the CAA and GA2.0 have caused this Second MOU to be duly executed by their authorized representatives as of the Effective Date.

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

By: _____
Richard MacKeigan
Executive Director

GRAND ACTION FOUNDATION 2.0

By: _____
Thomas G. Welch, Jr.
Co-Chair and Treasurer

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4896-1758-5486 v1 [61448-994]



GRAND RAPIDS-KENT COUNTY
CONVENTION / ARENA AUTHORITY

Memorandum

To: Jay Preston, Finance Committee Chairperson
CAA Board

From: Susan Waddell, Administrative Manager

Subject: Auto Parking System Periodic Reporting

Date: February 3, 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 2nd quarter (FY23) periodic report includes the following information:

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

The City currently holds 118 monthly passes.
The County currently holds 178 monthly passes.

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

The City neither increased nor decreased the number of passes out between 10/1/22 and 12/31/22.

The County decreased the number of passes out by 2 between 10/1/22 and 12/31/22.

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

The current (public) monthly pass rate is \$159, while the discounted City/County rate is \$58.45.

The City currently holds 118 passes with a total annualized discount of \$142,379.
The County currently holds 178 passes with a total annualized discount of \$214,775.

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

Cc: Richard MacKeigan

Account	Previous End of Quarter Space Count Q3 FY22	Total Spaces End of Q4 FY22	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 th Circuit Court	30	28	-2	\$2,815.40	(\$201.10)
KC Facilities Management	150	150	0	\$15,082.50	\$0.00
City of GR	118	118	0	\$11,864.90	\$0.00
Total	298	296	-2	\$29,762.80	(\$201.10)

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

County of Kent, Michigan
Lodging Excise Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Third Quarter Ended September 30th

	Year - to - Year Comparison			Q3 Comparison		
	2021 Actual	2022 Budget	% Change	2021	2022	% Change
Revenues:						
Taxes	\$ 8,968,752	\$ 9,750,000	8.7%	\$ 5,523,872	\$ 8,499,445	53.9%
Investments, Rents & Royalties	33,269	100,000	200.6%	27,167	50,379	85.4%
Other Revenue	10,725	7,600	-29.1%	7,395	9,548	29.1%
Transfers In - General Fund	-	300,000	NA	-	-	NA
Total Revenues	9,012,746	10,157,600	12.7%	5,558,434	8,559,373	54.0%
Expenditures:						
DeVos Place Debt Service	7,981,750	8,280,400	3.7%	18,300	12,400	-32.2%
Experience Grand Rapids	1,591,954	2,000,000	25.6%	980,487	1,529,900	56.0%
Administration	128,238	133,525	4.1%	95,335	99,696	4.6%
Contributions - Festival	10,000	10,000	0.0%	10,000	-	-100.0%
Transfers Out - General Fund	-	-	NA	-	-	NA
Total Expenditures	9,711,942	10,423,925	7.3%	1,104,122	1,641,996	48.7%
Net Revenue (Expense)	(699,196)	(266,325)	-61.9%	4,454,311	6,917,377	55.3%
Fund Balance - Beg	7,893,175	7,193,979	-8.9%			
Fund Balance - End	\$ 7,193,979	\$ 6,927,654	-3.7%			

**Lodging Excise Tax Fund
Notes to Financial Statement**

Financial Status

This financial report compares activity for 2021 and 2022. Through the end of the quarter, revenues have increased from \$5.6 million to \$8.6 million, or 54.0% over a comparable period in the prior fiscal year. Transient tax revenues make up most of the revenues and are recovering from the recession faster than originally forecasted. Furthermore, transient tax revenues are estimated to generate \$13.0 million for the fiscal year, which would be higher than pre-COVID collection levels.

General Fund Advance

The County General Fund advanced \$7.1 million to the Lodging Excise Tax Fund from 2009 to 2015; \$1.1 million was reimbursed in 2019; and another \$4.0 million was advanced in 2020. The current outstanding balance is \$10.0 million and is expected to be reimbursed in installments starting in 2023-24.