

# Agenda

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## Board of Directors

**Friday, October 7, 2022**  
**Following CAA Operations Committee Meeting**  
**Kent County Administration Building**  
**300 Monroe, NW • Grand Rapids, MI 49503**

- |    |   |                |
|----|---|----------------|
| 1. | Call to Order   | Lew Chamberlin |
| 2. | Oath of Office – Michael B. Verhulst, Experience Grand Rapids Appointee                                   |                |
| 3. | Minutes of August 5, 2022   | Action         |
| 4. | Committee Reports   |                |
|    | A. Operations Committee   |                |
|    | B. Finance Committee  |                |
|    | i. Consolidated Financial Statement for Period Ending August 31, 2022                                     | Action         |
|    | ii. ASM Global Financial Statements for Period Ending August 31, 2022 - DeVos Place® and Van Andel Arena® | Information    |
|    | iii. FY 23 Capital Budget Amendment Request   | Action         |
| 5. | Calendar Update from ASM Global   | Rich MacKeigan |
| 6. | Public Comment  |                |
| 7. | Adjournment   |                |

**Please note that the start time is approximate. The CAA Operations Committee meeting starts at 8:00 AM, followed by the CAA Board meeting. Timing for the CAA Board meeting varies based on how long the Committee meeting takes.**

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

**Attendance:**

Members Present: Richard Winn, Chairperson  
M. Scott Bowen  
Mandy Bolter  
Lew Chamberlin

Members Absent: Rosalynn Bliss  
Birgit Klohs

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

**1. Call to Order**

Chairperson, Richard Winn, called the meeting to order at 8:29 a.m. Staff recorded the meeting minutes.

**2. Minutes of June 3, 2022, Meeting**

*Motion by Mr. Chamberlin, support by Ms. Bolter, to approve the June 3, 2022, Board Minutes. Motion carried.*

### **3. Committee Reports**

#### **A. Operations Committee – Experience Grand Rapids Report**

Mary Manier provided an overview of the CVB's sales activities and marketing efforts for July 2022. Staff sent 51 RFPs to clients for future dates and hosted seven site visits. The sales team was on the road attending out-of-state sales missions, meetings, and client events.

#### **B. Finance Committee**

##### **i. Consolidated Financial Statement for Period Ending June 30, 2022**

*Motion by Mr. Chamberlin, support by Ms. Bolter, to accept the consolidated financial statement for the period ending June 30, 2022. Motion carried.*

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

The financial statements were included as information items.

##### **iii. 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.

### **4. Director & Officer Insurance Renewal**

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

*Motion by Ms. Bolter, support by Mr. Bowen, to approve the renewal premium in the amount of \$18,093. Motion carried.*

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

Boardmember Lew Chamberlin, supported by Boardmember M. Scott Bowen, moved the adoption of the following resolution:

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") was created for the purpose, in part, for development and operation of, entertainment facilities including a public outdoor amphitheater; and

**WHEREAS**, for the past three years the CAA has worked together with Grand Action Foundation 2.0 ("GA2.0"), the City of Grand Rapids (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 and GA2.0 have agreed to the terms of a Memorandum of Understanding (the "MOU") related to the development, funding, construction, ownership and operation of the Amphitheater.

**RESOLVED:**

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

2. That acceptance of assignment from GA2.0 and assumption of the agreements referenced in paragraph 7 of the MOU, the execution of the original agreements referenced in paragraph 7 of the MOU, the execution of the construction agreements referenced in paragraph 8 of the MOU, and the execution of those documents referenced or required pursuant to the provisions of paragraph 9 of the MOU after approval as to content by the CAA Executive Director and as to form by the CAA legal counsel is approved and the CAA Executive Director is authorized and directed to sign such approved assignments, agreements and documents.

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

**RESOLUTION DECLARED ADOPTED.**

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

Boardmember Lew Chamberlin, supported by Boardmember M. Scott Bowen, moved the adoption of the following resolution:

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) has ownership control over the Van Andel Arena (the “Arena”); and

**WHEREAS**, the CAA has an agreement with SMG for operation and management of the Arena; and

**WHEREAS**, SSJ Group, LLC (“SSJ”) owns a G League basketball team (the “Team”); and

**WHEREAS**, the CAA and SSJ have agreed in accordance with the provisions of a term sheet (the “Term Sheet”) to enter into an agreement for use of the Arena by the Team for basketball games and related events.

**RESOLVED:**

A. That the Term Sheet presented at this meeting is approved.

B. That SMG is authorized and directed to prepare a use agreement (the “Agreement”) consistent with provisions of the Term Sheet along with other normal and customary provisions approved as to content by the CAA Executive Director and as to form by CAA legal counsel.

C. That the CAA Executive Director is authorized to execute the approved Agreement for and on behalf of the CAA.

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

**RESOLUTION DECLARED ADOPTED.**

**7. Application to Liquor Control Commission for Special License**

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

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

**8. Public Comment**

None.

**9. Adjournment**

The meeting adjourned at 8:39 a.m.

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Susan M. Waddell, Recording Secretary



**Consolidated Financial Report**  
**August 31, 2022**

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# GRAND RAPIDS-KENT COUNTY

CONVENTION / ARENA AUTHORITY

Financial Dashboard  
Year-To-Date (2 Months)  
August 31, 2022

## Van Andel Arena®

	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	2	6	7	-	6	4
Attendance	5,698	48,000	52,424	-	48,000	36,769
Event Income	\$ 63,937	\$ 1,009,904	\$ 1,190,685	\$ -	\$ 609,960	\$ 564,840

## DeVos Place®

	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	33	54	52	10	40	30
Attendance	12,326	72,410	49,660	4,250	48,710	35,580
Event Income	\$ 315,956	\$ 925,021	\$ 877,742	\$ 154,837	\$ 642,853	\$ 502,029

	Prior Year	Budget	Actual
Operating Income (Loss)	\$ 7,459,417	\$ 171,556	\$ 293,923
Capital/Repair/Replacement	(1,380)	-	-
Net - To/(From) on Fund Balance	\$ 7,458,037	\$ 171,556	\$ 293,923 <sup>(1)</sup>

**\*NOTES:**

(1) Unrestricted Fund Balance - 6/30/21 \$13,796,920

**Grand Rapids-Kent County Convention/Arena Authority**

**Summary by Facility/Other**

**Fiscal Year Ending June 30, 2023**

	<b>FY 2023</b>			
	<b>7/1 - 8/31</b>			
	<b>Year-to-Date</b>	<b>Roll</b>	<b>Estimate<sup>(1)</sup></b>	<b>Budget</b>
<b>Van Andel Arena</b>				
Operating - Revenues	\$ 1,190,685	\$ 5,451,681	\$ 6,642,366	\$ 6,642,366
- Expenses - Facilities	(731,064)	(4,127,106)	(4,858,170)	(4,858,170)
- Base Management Fees	(35,057)	(156,264)	(191,321)	(191,321)
- Incentive Fee	-	-	-	-
Net Operating Income (Loss)	424,564	1,168,311	1,592,875	1,592,875
Parking	64,638	323,192	387,830	387,830
Pedestrian Safety	(28,994)	(36,006)	(65,000)	(65,000)
<b>Net Proceeds (Cost) of VAA</b>	<b>460,208</b>	<b>1,455,497</b>	<b>1,915,705</b>	<b>1,915,705</b>
<b>DeVos Place Convention Center</b>				
Operating - Revenues	877,742	5,351,380	6,229,122	6,229,122
- Expenses - Facilities	(1,036,353)	(6,049,917)	(7,086,270)	(7,086,270)
- Base Management Fees	(30,958)	(160,363)	(191,321)	(191,321)
- Incentive Fee	-	-	-	-
Net Operating Income (Loss)	(189,569)	(858,900)	(1,048,469)	(1,048,469)
Parking	190,240	1,064,681	1,254,921	1,254,921
Pedestrian Safety	(7,907)	(28,093)	(36,000)	(36,000)
<b>Net Proceeds (Cost) of DVP</b>	<b>(7,236)</b>	<b>177,688</b>	<b>170,452</b>	<b>170,452</b>
<b>Other</b>				
Revenues	23,120	144,880	168,000	168,000
Expenses	(182,169)	(911,971)	(1,094,140)	(1,094,140)
Net Other	(159,050)	(767,090)	(926,140)	(926,140)
<b>Total Net Proceeds/Operating</b>	<b>293,923</b>	<b>866,094</b>	<b>1,160,017</b>	<b>1,160,017</b>
Capital/Repair Expenditures	-	(6,079,000)	(6,079,000)	(6,079,000) <sup>(2)</sup>
<b>Results Net of Capital/Repair Expenditures</b>	<b>\$ 293,923</b>	<b>\$ (5,212,906)</b>	<b>\$ (4,918,983) <sup>(3)</sup></b>	<b>\$ (4,918,983)</b>

Notes:

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

(2) Includes a requested budget amendment to provide for four capital project balances (\$628,900) carried over from FY22 and one capital project pulled forward from FY24 & FY 25 (\$1,097,000).

(3) Estimated Unrestricted Fund Balance will total approximately \$ 21,991,433 at fiscal year end.



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

<b>FY 2023 Eligible Projects:</b>		<b>Budget</b>	<b>Actual 7/1-8/31</b>	<b>Roll</b>	<b>Appropriation Lapse</b>
<b>Van Andel Arena®</b>					
	Suite Refresher	350,000		350,000	
	Ice Plant Refrigeration Change	90,000		90,000	
	Trash Compactor	50,000		50,000	
	New Condensor Coil	185,000		185,000	
	Custom Air Handler Damper Replacement	110,000		110,000	
	<b>Total VAA</b>	<b>785,000</b>	<b>-</b>	<b>785,000</b>	<b>-</b>
<b>DeVos Place®</b>					
	Projection Theater Upgrades	250,000		250,000	
	Performance Hall LED Lighting	50,000		50,000	
	Roof Replacement - North of Skylight	1,472,000 (2)		1,472,000	
	Performance Hall Seating	350,000		350,000	
	Theater Box Seats	50,000		50,000	
	Ballroom Lighting & Controls	2,100,000		2,100,000	
	Trash Compactor	50,000		50,000	
	<b>Total DVP</b>	<b>4,322,000</b>	<b>-</b>	<b>4,322,000</b>	<b>-</b>
<b>Both Venues</b>					
	Radio System Upgrade	100,000		100,000	
	Small Motor Equipment	60,000		60,000	
	Computers and Accessories	150,000		150,000	
	X-Ray Inspection Systems	33,100		33,100	
	<b>Total Both Venues</b>	<b>343,100</b>	<b>-</b>	<b>343,100</b>	<b>-</b>
<b>Carryover (FY20&amp; FY22) Projects</b>					
DVP	New Sound System	183,788		183,788	
VAA	Cooling Tower/Condenser Coil	30,000		30,000	
VAA	Wireless Communication Devices	45,000		45,000	
VAA	Suite Refresher	370,112		370,112	
	<b>Total Carryover</b>	<b>628,900 (1)</b>	<b>-</b>	<b>628,900</b>	<b>-</b>
<b>Total FY 2023 Capital Budget</b>		<b>\$ 6,079,000</b>	<b>\$ -</b>	<b>\$ 6,079,000</b>	<b>\$ -</b>

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

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

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

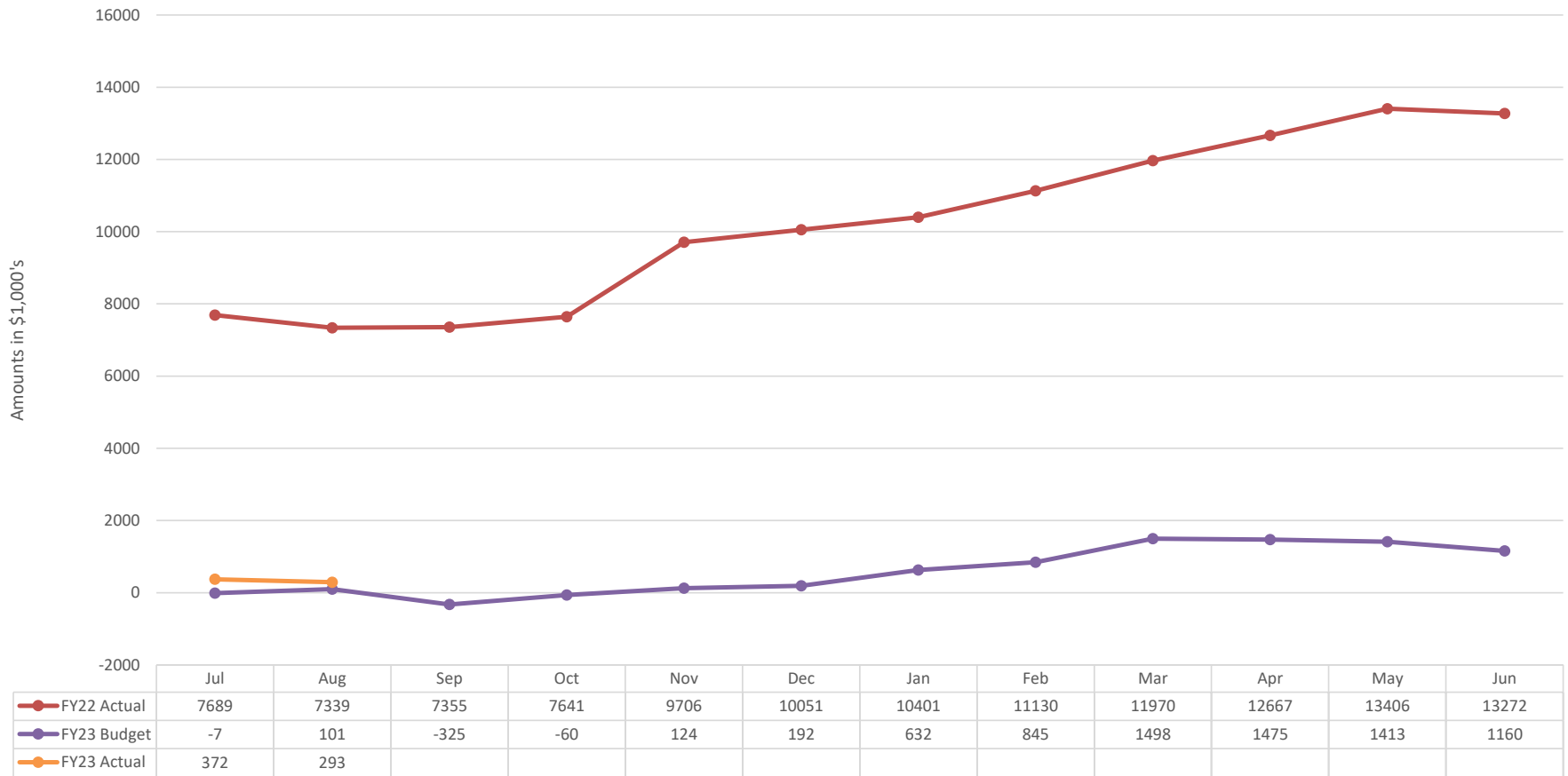
**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Financial Trends for Year Ending June 30, 2023**

	Annual			Year-To-Date		
	FY 2022	FY 2023	Change	FY 2022	FY 2023	Change
	Final (Unaudited)	Budget	Positive (Negative)	7/1-8/31	7/1 - 8/31	Positive (Negative)
<b>Van Andel Arena</b>						
Operating - Revenues	\$ 7,720,280	\$ 6,642,366	-14.0%	\$ 63,937	\$ 1,190,685	1762.3%
- Expenses - Facilities	(4,299,236)	(4,858,170)	-13.0%	(496,867)	(731,064)	47.1%
- Base Management Fees	(185,295)	(191,321)	-3.3%	(30,056)	(35,057)	16.6%
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	3,235,749	1,592,875	50.8%	(462,986)	424,564	191.7%
Parking	274,401	387,830	41.3%	68,907	64,638	-6.2%
Pedestrian Safety	(66,625)	(65,000)	-100.0%	-	(28,994)	-100.0%
<b>Net Proceeds (Cost) of VAA</b>	<b>3,443,525</b>	<b>1,915,705</b>	<b>-79.8%</b>	<b>(394,079)</b>	<b>460,208</b>	<b>216.8%</b>
<b>DeVos Place Convention Center</b>						
Operating - Revenues	6,284,599	6,229,122	-0.9%	315,956	877,742	177.8%
- Expenses - Facilities	(6,689,089)	(7,086,270)	-5.9%	(787,863)	(1,036,353)	31.5%
- Base Management Fees	(180,339)	(191,321)	-6.1%	(30,056)	(30,958)	3.0%
- Incentive Fee	-	-	-	-	-	0.0%
Net Operating Income (Loss)	(584,829)	(1,048,469)	-79.3%	(501,963)	(189,569)	62.2%
Parking	1,020,952	1,254,921	22.9%	154,345	190,240	23.3%
Pedestrian Safety	(21,605)	(36,000)	66.6%	-	(7,907)	-100.0%
<b>Net Proceeds (Cost) of DVP</b>	<b>414,518</b>	<b>170,452</b>	<b>-143.2%</b>	<b>(347,618)</b>	<b>(7,236)</b>	<b>97.9%</b>
<b>Other</b>						
Revenues	10,155,878	168,000	-98.3%	8,258,671	23,120	-99.7%
Expenses	(742,282)	(1,094,140)	-47.4%	(57,557)	(182,169)	216.5%
<b>Net Other</b>	<b>9,413,596</b>	<b>(926,140)</b>	<b>-81.0%</b>	<b>8,201,114</b>	<b>(159,050)</b>	<b>-101.9%</b>
<b>Total Net Proceeds/Operating</b>	<b>13,271,639</b>	<b>1,160,017</b>	<b>78.0%</b>	<b>7,459,417</b>	<b>293,923</b>	<b>96.1%</b>
Capital/Repair Expenditures	(158,143)	(6,079,000)	52.0%	(1,380)	-	0.0%
<b>Results Net of Capital Expenditures</b>	<b>\$ 13,113,496</b>	<b>\$ (4,918,983)</b>	<b>71.0%</b>	<b>\$ 7,458,037</b>	<b>\$ 293,923</b>	<b>-96.1%</b>

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

# CAA Trends

## Monthly Net Operating Proceeds through August 31, 2022



Accumulative Net Proceeds by Month

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

	<b>Annual</b>			<b>Actual</b>		
	<b>FY 2022</b>	<b>FY 2023</b>	<b>Change</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Change</b>
	<b>Final (Unaudited)</b>	<b>Budget</b>	<b>Positive</b>	<b>7/1-7/31</b>	<b>7/1-8/31</b>	<b>Positive</b>
			<b>(Negative)</b>			<b>(Negative)</b>
Other						
Revenues						
Interest/Capital Contr.	\$ 131,301	\$ 100,000	-23.8%	\$ 56,406	\$ 21,320	-62.2%
Miscellaneous	10,024,577	68,000	-99.3%	8,202,265	1,800	-100.0%
	10,155,878	168,000	-98.3%	8,258,671	23,120	-99.7%
Expenses						
Arena 25-Year Recognition/New						
Venue Awareness	56,454	100,000	-100.0%	5,525	-	100.0%
Marketing (CVB/Sports)	200,000	200,000	0.0%	-	66,667	100.0%
Diversity Initiative	27,317	200,000	-632.1%	-	25,261	0.0%
Wages/Benefits	124,154	111,800	10.0%	22,258	8,571	61.5%
Professional Services	142,979	135,570	5.2%	1,455	39,906	-2642.7%
DID Assessment	63,806	65,720	-3.0%	-	-	0.0%
Food & Beverage Repairs	-	45,000	-100.0%	-	-	0%
Consulting Services	33,000	143,165 <sup>(1)</sup>	-333.8%	23,580	6,000	74.6%
Landscaping	22,805	27,810	-21.9%	-	-	0.0%
Procurement of Art	25,958	30,000	-100.0%	-	-	-100.0%
Insurance	25,075	25,075	0.0%	4,226	23,756	-462.1%
Supplies/Other	20,734	10,000	51.8%	513	12,009	-2240.8%
	742,282	1,094,140	-47.4%	57,557	182,169	-216.5%
Net Proceeds - Operating	\$ 9,413,596	\$ (926,140)	109.8%	\$ 8,201,114	\$ (159,050)	-101.9%

Notes:

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

# DEVOS PLACE

## DE VOS PLACE

### FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED AUGUST 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	52	316	368	368	-
ATTENDANCE	49,660	514,260	563,920	563,920	-
DIRECT EVENT INCOME	382,613	3,049,337	3,431,950	3,431,950	-
ANCILLARY INCOME	409,564	1,799,208	2,208,772	2,208,772	-
OTHER EVENT INCOME	72,425	465,975	538,400	538,400	-
TOTAL EVENT REVENUE	864,602	5,314,520	6,179,122	6,179,122	-
TOTAL OTHER REVENUE	13,140	36,860	50,000	50,000	-
TOTAL OPERATING REVENUE	877,742	5,351,380	6,229,122	6,229,122	-
INDIRECT EXPENSES					
EXECUTIVE	30,649	265,391	296,040	296,040	-
FINANCE	58,375	279,754	338,129	338,129	-
MARKETING	31,866	182,680	214,546	214,546	-
OPERATIONS	249,235	1,485,758	1,734,993	1,734,993	-
EVENT SERVICES	213,508	1,307,301	1,520,809	1,520,809	-
BOX OFFICE	36,346	285,198	321,544	321,544	-
SALES	70,427	512,452	582,879	582,879	-
OVERHEAD	376,905	1,891,746	2,268,651	2,268,651	-
TOTAL OPERATING EXP.	1,067,311	6,210,280	7,277,591	7,277,591	-
NET REVENUE ABOVE EXPENSES	(189,569)	(858,900)	(1,048,469)	(1,048,469)	-
INCENTIVE FEE		-	0	0	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(189,569)	(858,900)	(1,048,469)	(1,048,469)	-

Comments:

August fell short of budget overall due to a couple of events shifting out of the month, however, year to date continues to trend better overall through the first two months of the fiscal year.

DocuSigned by:



7E0B940AF00F405...  
General Manager

DocuSigned by:



10BFEBDB52F245A...  
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:

<b>MONTH</b>	August Actual	August Budget	August FY 2022
Number of Events	24	28	16
Attendance	22,225	56,160	10,083
Direct Event Income	\$223,545	\$314,455	\$105,015
Ancillary Income	228,786	286,959	97,465
Other Event Income	23,087	24,000	14,373
Other Operating Income	6,548	4,166	5,819
Indirect Expenses	(653,878)	(606,470)	(401,225)
Net Income	(\$171,912)	\$23,110	(\$178,553)

<b>YTD</b>	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	52	54	33
Attendance	49,660	72,410	12,326
Direct Event Income	\$382,613	\$451,745	\$158,818
Ancillary Income	409,564	407,344	131,272
Other Event Income	72,425	57,600	14,373
Other Operating Income	13,140	8,332	11,493
Indirect Expenses	(1,067,311)	(1,212,940)	(817,919)
Net Income	(\$189,569)	(\$287,919)	(\$501,963)

**EVENT INCOME**

Event income fell short of budget on less than expected events hosted.

**ANCILLARY INCOME**

Ancillary income came in lower due to a larger event not being hosted. Spending on events taking place continues to come in at or above expected levels.

**INDIRECT EXPENSES**

Expenses came in higher than budget for the month, however, remain under budget for the fiscal year as a whole.

**DeVos Place**  
**Income Statement**  
**For the Two Months Ended August 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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$265,008	\$318,415	\$ (53,407)	\$92,168	\$491,159	\$455,705	\$ 35,454	\$145,706
Service Revenue	238,189	227,986	10,203	125,196	375,524	376,461	(937)	168,419
Service Expenses	(279,652)	(231,946)	(47,706)	(112,349)	(484,070)	(380,421)	(103,649)	(155,307)
<b>Total Direct Event Income</b>	<b>223,545</b>	<b>314,455</b>	<b>(90,910)</b>	<b>105,015</b>	<b>382,613</b>	<b>451,745</b>	<b>(69,132)</b>	<b>158,818</b>
<b>Ancillary Income</b>								
F&B Concession	7,884	14,028	(6,144)	11,579	24,571	19,863	4,708	11,579
F&B Catering	101,091	113,354	(12,263)	15,520	176,645	161,605	15,040	25,009
Novelty Sales	1,226	2,200	(974)	4,409	1,226	2,200	(974)	4,409
Booth Cleaning	39,062	37,210	1,852	17,704	67,605	51,019	16,586	25,306
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	39,077	49,761	(10,684)	18,890	75,948	68,261	7,687	24,873
Audio Visual	15,626	44,137	(28,511)	12,961	23,118	66,424	(43,306)	21,858
Internet Services	12,142	11,677	4,764	2,157	18,677	17,249	1,428	1,368
Equipment Rental	12,678	14,592	(1,914)	14,245	21,774	20,723	1,051	16,870
<b>Total Ancillary Income</b>	<b>228,786</b>	<b>286,959</b>	<b>(58,173)</b>	<b>97,465</b>	<b>409,564</b>	<b>407,344</b>	<b>2,220</b>	<b>131,272</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	23,087	24,000	(913)	14,373	72,425	57,600	14,825	14,373
<b>Total Other Event Income</b>	<b>23,087</b>	<b>24,000</b>	<b>(913)</b>	<b>14,373</b>	<b>72,425</b>	<b>57,600</b>	<b>14,825</b>	<b>14,373</b>
<b>Total Event Income</b>	<b>475,418</b>	<b>625,414</b>	<b>(149,996)</b>	<b>216,853</b>	<b>864,602</b>	<b>916,689</b>	<b>(52,087)</b>	<b>304,463</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	804	1,333	(529)	0	1,608	2,666	(1,058)	0
Advertising	0	1,000	(1,000)	0	0	2,000	(2,000)	0
Other Income	5,744	1,833	3,911	5,819	11,532	3,666	7,866	11,493
<b>Total Other Operating Income</b>	<b>6,548</b>	<b>4,166</b>	<b>2,382</b>	<b>5,819</b>	<b>13,140</b>	<b>8,332</b>	<b>4,808</b>	<b>11,493</b>
<b>Adjusted Gross Income</b>	<b>481,966</b>	<b>629,580</b>	<b>(147,614)</b>	<b>222,672</b>	<b>877,742</b>	<b>925,021</b>	<b>(47,279)</b>	<b>315,956</b>
<b>Operating Expenses</b>								
Salaries and Wages	388,466	315,797	72,669	191,993	601,174	631,594	(30,420)	439,953
Payroll Taxes and Benefits	122,287	99,956	22,331	73,432	187,801	199,912	(12,111)	153,624
Labor Allocations to Events	(255,866)	(152,700)	(103,166)	(130,042)	(435,420)	(305,400)	(130,020)	(262,648)
<b>Net Salaries and Benefits</b>	<b>254,887</b>	<b>263,053</b>	<b>(8,166)</b>	<b>135,383</b>	<b>353,555</b>	<b>526,106</b>	<b>(172,551)</b>	<b>330,929</b>
Contracted Services	50,200	39,217	10,983	27,610	104,659	78,434	26,225	50,237
General and Administrative	61,033	39,603	21,430	45,337	95,784	79,206	16,578	63,104
Operations	72,946	13,852	59,094	3,791	76,020	27,704	48,316	9,525
Repair and Maintenance	30,596	48,667	(18,071)	48,274	70,262	97,334	(27,072)	82,682
Operational Supplies	22,465	25,675	(3,210)	4,302	37,652	51,350	(13,698)	19,751
Insurance	27,941	32,725	(4,784)	18,279	53,739	65,450	(11,711)	33,460
Utilities	118,331	127,734	(9,403)	103,221	244,682	255,468	(10,786)	198,175
SMG Management Fees	15,479	15,944	(465)	15,028	30,958	31,888	(930)	30,056
<b>Total Operating Expenses</b>	<b>653,878</b>	<b>606,470</b>	<b>47,408</b>	<b>401,225</b>	<b>1,067,311</b>	<b>1,212,940</b>	<b>(145,629)</b>	<b>817,919</b>
<b>Net Income(Loss) From Operatic</b>	<b>(171,912)</b>	<b>23,110</b>	<b>(195,022)</b>	<b>(178,553)</b>	<b>(189,569)</b>	<b>(287,919)</b>	<b>98,350</b>	<b>(501,963)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>(171,912)</b>	<b>23,110</b>	<b>(195,022)</b>	<b>(178,553)</b>	<b>(189,569)</b>	<b>(287,919)</b>	<b>98,350</b>	<b>(501,963)</b>



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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	30	40	35,580	48,710	502,029	642,853
Consumer/Gated Shows	-	2	-	3,000	-	10,680
DeVos Performance Hall	5	6	7,580	8,700	126,521	110,530
Banquets	1	-	750	-	532	-
Meetings	14	6	3,650	12,000	225,487	152,626
Other	2	-	2,100	-	10,034	-
GRAND TOTALS	52	54	49,660	72,410	864,602	916,689

As Percentage of Overall

Convention/Trade Shows	57.69%	74.07%	71.65%	67.27%	58.06%	70.13%
Consumer/Gated Shows	0.00%	3.70%	0.00%	4.14%	0.00%	1.17%
Devos Performance Hall	9.62%	11.11%	15.26%	12.01%	14.63%	12.06%
Ballroom Exclusive	1.92%	0.00%	1.51%	0.00%	0.06%	0.00%
Meetings	26.92%	11.11%	7.35%	16.57%	26.08%	16.65%
Other	3.85%	0.00%	4.23%	0.00%	1.16%	0.00%

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

**ASSETS**

**Current Assets**

Cash	1,751,052
Account Receivable	1,640,815
Prepaid Expenses	84,238

<b>Total Current Assets</b>	<b>\$3,476,105</b>	
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<b>Total Assets</b>	<b>\$3,476,105</b>	
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	473,425
Accrued Expenses	142,845
Deferred Income	185,267
Advanced Ticket Sales & Deposits	1,997,084

Total Current Liabilities	\$2,798,621	
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	(11,000)
Funds Received by CAA	
Expenses Paid Direct by CAA	238,880
Beginning Balance Equity	639,174
Current Year Equity	(189,569)

Total Equity	\$677,485	
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<b>Total Liabilities and Equity</b>	<b>\$3,476,105</b>	
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**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of August 31, 2022**

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Current - Under 30 Days	
Food & Beverage	108,975
Ticketing	137,925
Merchandise	-
Decorating	39,062
Audio/Visual	15,626
Van Andel Arena	243,930
Operating	935,193
 Over 30 Days	 94,614
 Over 60 Days	 65,490
 Over 90 Days	
 Total Accounts Receivable	 1,640,815

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

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Unaudited
Net Revenue above Expenses	1,592,875	(1,048,469)	544,406	2,650,922
Benchmark++			1,050,000	1,050,000
Excess	1,592,875	(1,048,469)	(505,594)	1,600,922

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	6,642,366	6,229,122	12,871,488	14,004,879
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	622,744	910,814	1,533,558	3,555,174
Incentive Fee **	-	-	-	371,497
Total SMG Management Fee	191,321	191,321	382,642	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 AUGUST 31, 2022

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – TWO TIME CALDER CUPS CHAMPIONS



#### Distribution:

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



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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	7	79	86	86	-
ATTENDANCE	52,424	509,076	561,500	561,500	-
DIRECT EVENT INCOME	297,511	1,104,429	1,401,940	1,401,940	-
ANCILLARY INCOME	248,462	1,467,864	1,716,326	1,716,326	-
OTHER EVENT INCOME	274,332	921,168	1,195,500	1,195,500	-
TOTAL EVENT INCOME	820,305	3,493,461	4,313,766	4,313,766	-
TOTAL OTHER INCOME	370,380	1,958,220	2,328,600	2,328,600	-
TOTAL INCOME	1,190,685	5,451,681	6,642,366	6,642,366	-
INDIRECT EXPENSES					
EXECUTIVE	36,843	254,699	291,542	291,542	-
FINANCE	53,386	229,069	282,455	282,455	-
MARKETING	43,049	284,096	327,145	327,145	-
OPERATIONS	368,047	1,974,819	2,342,866	2,342,866	-
BOX OFFICE	32,833	251,209	284,042	284,042	-
SKYWALK ADMIN	4,017	50,083	54,100	54,100	-
OVERHEAD	222,948	1,244,393	1,467,341	1,467,341	-
TOTAL INDIRECT EXP.	761,123	4,288,368	5,049,491	5,049,491	-
NET REVENUE ABOVE EXPENSES	429,562	1,163,313	1,592,875	1,592,875	-
LESS INCENTIVE FEE		-	-	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	429,562	1,163,313	1,592,875	1,592,875	-

Comments:

August was a bit slower as anticipated, however, both the AEW and Pitbull shows hosted during the month sold very well.

DocuSigned by:



7ECB040AF39F405...  
General Manager

DocuSigned by:



40EBDDDB52E245A...  
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:

<b>MONTH</b>	August Actual	August Budget	August FY 2022
Number of Events	2	2	2
Attendance	15,145	16,000	5,698
Direct Event Income	\$89,642	\$78,000	\$25,513
Ancillary Income	82,682	53,320	25,007
Other Event Income	95,455	72,000	10,292
Other Operating Income	159,158	187,972	2,483
Indirect Expenses	(385,811)	(357,246)	(279,019)
Net Income	\$41,126	\$34,046	(\$215,724)

<b>YTD</b>	YTD 2023 Actual	YTD 2023 Budget	YTD 2022 Prior Year
Number of Events	7	6	2
Attendance	52,424	48,000	5,698
Direct Event Income	\$297,511	\$234,000	\$25,513
Ancillary Income	248,462	159,960	25,007
Other Event Income	274,332	216,000	10,379
Other Operating Income	370,380	399,944	3,038
Indirect Expenses	(761,121)	(714,492)	(526,923)
Net Income	\$429,564	\$295,412	(\$462,986)

**EVENT INCOME**

Event income came in higher than budget with most of the overage due to Pitbull selling out.

**ANCILLARY INCOME**

Ancillary income came in higher than budget as concessions per caps continue to come in higher than expectations.

**INDIRECT EXPENSES**

Indirect expenses came in very consistent with budget overall.

**Van Andel Arena**  
**Income Statement**  
**For the Two Months Ended August 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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$ 112,495	\$ 90,000	\$ 22,495	\$ 43,673	\$ 361,085	\$ 270,000	\$ 91,085	\$ 43,673
Service Revenue	195,213	120,000	75,213	41,756	592,478	360,000	232,478	41,756
Service Expenses	(218,066)	(132,000)	(86,066)	(59,916)	(656,052)	(396,000)	(260,052)	(59,916)
<b>Total Direct Event Income</b>	<b>89,642</b>	<b>78,000</b>	<b>11,642</b>	<b>25,513</b>	<b>297,511</b>	<b>234,000</b>	<b>63,511</b>	<b>25,513</b>
<b>Ancillary Income</b>								
F&B Concession	68,866	42,400	26,466	21,723	196,934	127,200	69,734	21,723
F&B Catering	5,732	4,680	1,052	593	19,945	14,040	5,905	593
Novelty Sales	8,084	6,240	1,844	2,691	31,583	18,720	12,863	2,691
Booth Cleaning	-	-	-	-	-	-	-	-
Audio Visual	-	-	-	-	-	-	-	-
Other Ancillary	-	-	-	-	-	-	-	-
<b>Total Ancillary Income</b>	<b>82,682</b>	<b>53,320</b>	<b>29,362</b>	<b>25,007</b>	<b>248,462</b>	<b>159,960</b>	<b>88,502</b>	<b>25,007</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	95,455	72,000	23,455	10,292	274,332	216,000	58,332	10,379
<b>Total Other Event Income</b>	<b>95,455</b>	<b>72,000</b>	<b>23,455</b>	<b>10,292</b>	<b>274,332</b>	<b>216,000</b>	<b>58,332</b>	<b>10,379</b>
<b>Total Event Income</b>	<b>267,779</b>	<b>203,320</b>	<b>64,459</b>	<b>60,812</b>	<b>820,305</b>	<b>609,960</b>	<b>210,345</b>	<b>60,899</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	103,475	129,888	(26,413)	2,483	258,703	283,776	(25,073)	2,483
Advertising	54,548	52,084	2,464	-	109,721	104,168	5,553	-
Other Income	1,135	6,000	(4,865)	-	1,956	12,000	(10,044)	555
<b>Total Other Operating Income</b>	<b>159,158</b>	<b>187,972</b>	<b>(28,814)</b>	<b>2,483</b>	<b>370,380</b>	<b>399,944</b>	<b>(29,564)</b>	<b>3,038</b>
<b>Adjusted Gross Income</b>	<b>426,937</b>	<b>391,292</b>	<b>35,645</b>	<b>63,295</b>	<b>1,190,685</b>	<b>1,009,904</b>	<b>180,781</b>	<b>63,937</b>
<b>Operating Expenses</b>								
Salaries and Wages	197,661	201,334	(3,673)	77,399	414,844	402,668	12,176	163,486
Payroll Taxes and Benefits	43,771	60,119	(16,348)	28,693	120,118	120,238	(120)	56,360
Labor Allocations to Events	(87,122)	(82,886)	(4,236)	(9,312)	(246,985)	(165,772)	(81,213)	(9,312)
<b>Net Salaries and Benefits</b>	<b>154,310</b>	<b>178,567</b>	<b>(24,257)</b>	<b>96,780</b>	<b>287,977</b>	<b>357,134</b>	<b>(69,157)</b>	<b>210,534</b>
Contracted Services	39,968	36,600	3,368	22,719	72,377	73,200	(823)	48,002
General and Administrative	47,918	33,831	14,087	41,109	79,557	67,662	11,895	69,070
Operations	1,963	7,184	(5,221)	795	11,312	14,368	(3,056)	2,159
Repair and Maintenance	37,431	31,375	6,056	32,945	82,041	62,750	19,291	48,972
Operational Supplies	19,236	23,017	(3,781)	14,054	36,123	46,034	(9,911)	17,022
Insurance	13,594	23,667	(10,073)	7,456	37,803	47,334	(9,531)	13,786
Utilities	56,362	7,061	49,301	48,133	123,874	14,122	109,752	87,322
SMG Management Fees	15,029	15,944	(915)	15,028	30,057	31,888	(1,831)	30,056
<b>Total Operating Expenses</b>	<b>385,811</b>	<b>357,246</b>	<b>28,565</b>	<b>279,019</b>	<b>761,121</b>	<b>714,492</b>	<b>46,629</b>	<b>526,923</b>
<b>Net Income(Loss) From Operations</b>	<b>41,126</b>	<b>34,046</b>	<b>7,080</b>	<b>(215,724)</b>	<b>429,564</b>	<b>295,412</b>	<b>134,152</b>	<b>(462,986)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>41,126</b>	<b>34,046</b>	<b>7,080</b>	<b>(215,724)</b>	<b>429,564</b>	<b>295,412</b>	<b>134,152</b>	<b>(462,986)</b>



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

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	1		4,284		93,915	
Sporting Event	1		845		38,571	
Concert	4	6	36,769	48,000	564,840	609,960
Team Home Games						
Other	1		10,526		122,978	
GRAND TOTALS	7	6	52,424	48,000	820,305	609,960
As Percentage of Overall						
Family Show	14.29%	0.00%	8.17%	0.00%	11.45%	0.00%
Sporting Event	14.29%	0.00%	1.61%	0.00%	4.70%	0.00%
Concert	57.14%	100.00%	70.14%	100.00%	68.86%	100.00%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	14.29%	0.00%	20.08%	0.00%	14.99%	0.00%

**Van Andel Arena**  
**Balance Sheet**  
**As of August 31, 2022**

**ASSETS**

**Current Assets**

Cash	13,880,432
Account Receivable	48,855
Prepaid Expenses	47,603

<b>Total Current Assets</b>	<b>\$13,976,890</b>	
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<b>Total Assets</b>	<b>\$13,976,890</b>	
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	2,237,301
Accrued Expenses	290,841
Deferred Income	1,564,897
Advanced Ticket Sales & Deposits	5,776,757

Total Current Liabilities	\$9,869,796	
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	-
Funds Received by CAA	-
Expenses Paid Direct by CAA	118,436
Beginning Balance Equity	3,565,094
Current Year Equity	423,564

Total Equity	\$4,107,094	
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<b>Total Liabilities and Equity</b>	<b>\$13,976,890</b>	
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**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of August 31, 2022**

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Current - Under 30 Days	
Food & Beverage	152,848
Ticketing	-
Merchandise	23,028
Permanent Advertising	-
DeVos Place	(264,703)
Operating	109,068
 Over 30 Days	 28,614
 Over 60 Days	
 Over 90 Days	
 Total Accounts Receivable	 48,855

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

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2022 Unaudited
Net Revenue above Expenses	1,592,875	(1,048,469)	544,406	2,650,922
Benchmark++			1,050,000	1,050,000
Excess	1,592,875	(1,048,469)	(505,594)	1,600,922

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	6,642,366	6,229,122	12,871,488	14,004,879
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	622,744	910,814	1,533,558	3,555,174
Incentive Fee **	-	-	-	371,497
Total SMG Management Fee	191,321	191,321	382,642	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.

**RICHARD A. WINN**  
**CHAIRMAN**

**HON. ROSALYNN BLISS**

**MANDY BOLTER**

**M. SCOTT BOWEN**

**LEW CHAMBERLIN**

**BIRGIT M. KLOHS**

**FLOYD WILSON, JR.**

## Memorandum

To: CAA Board Members

From: Richard MacKeigan, Executive Director



Date: September 30, 2022

Re: FY23 Capital Budget Amendment Request

The original approved capital request included a DeVos Place project to replace the roof north of the skylight. Due to anticipated supply issues, this project was initially thought to take place over 3 years, broken down as FY23 of \$375,000 and \$1,670,000 for each of FY24 and FY25 for a total project cost of \$3,750,000. Due to some changes in other construction projects, the material necessary for the replacement was able to be obtained in full during FY23. As a result, the project can be done for a total cost of \$1,472,000.

With this change, requesting a budget amendment to the FY23 capital request in the amount of \$1,097,000 (in addition to the \$375,000 already approved). Overall, this will result in a savings to the CAA of almost \$2.4 million from the originally anticipated cost of the project.

Four additional projects that had been previously approved were delayed due to supply issues. A carryover of \$628,900 is requested to the already approved FY23 capital budget to allow for the timing of completion for these projects. This request has no impact to the fund balance of the CAA as it is simply shifting anticipated FY22 expenditures into FY23.

