

**INAUGURAL MEETING
OF THE
KENT COUNTY-GRAND RAPIDS
CONVENTION/ARENA AUTHORITY**

**Tuesday, April 18, 2000 - 12:30 p.m.
Van Andel Arena Banquet Room, 130 West Fulton**

Authority

Members:

David Frey
Steve Heacock
Birgit Klohs
John Logie
Joe Tomaselli

Staff: Kurt Kimball, City of Grand Rapids
Eric DeLong, City of Grand Rapids
Robert White, City of Grand Rapids
Bill Cole, City of Grand Rapids
Daryl Delabbio, Kent County
Al Vanderberg, Kent County
Dave Waichum, Kent County
Jim Leach, Kent County
Jon Nunn, Grand Action
Dale Sommers, Grand Action
Jim Knack, DDA
Rich MacKeigan, SMG
Terri Land, County Clerk
Dick Wendt, Legal Counsel

CVB

Representatives:

Lew Chamberlain
Cliff Charles
David Cassard

A G E N D A

- I. **Introductions**
 - Oath of Office – 5 Members

- II. **Selection of Two Members from CVB's List** **Action**
 - Oath of Office – 2 Members

- III. **Bylaws & Operating Agreement**
 - A. Consideration of "Personal Presence" Amendment **Action**
 Offered by the County
 - B. Adoption of Bylaws **Action**
 - C. Approval of Operating Agreement **Action**

- IV. **Election of Officers**
 - A. Chair **Action**
 - B. Vice Chair, Secretary and Treasurer, **Action**
 if deemed necessary

- V. **Support Services**
 - A. Legal Services **Action**
 - B. Administrative Services **Action**
 - C. Financial Services **Action**
 - D. Construction Oversight **Action**

VI.	Financial Issues	
A.	Release of State Funds	Action
B.	Selection of Bank to Serve As Custodian of Funds	Action
C.	Selection of Bookkeeper (City, County, Other)	Action
D.	Plan for Working Capital	Discussion
E.	Interim Process for Payment of Project Costs	Discussion
F.	Errors & Omissions Insurance Coverage	Action
VII.	Project Status Report	Discussion
VIII.	Building Committee	
A.	Background on Grand Action Building Committee	Information
B.	Role, Authority, and Composition of New Committee	Discussion
C.	Establishment of Building Committee	Action
D.	Appointment of Building Committee Members	Action
IX.	Budget Presentations	
A.	Van Andel Arena FY2001 Operating Budget	Information
B.	Grand Center FY2001 Operating Budget	Information
C.	Convention Center Expansion Project Budget	Information
X.	Contract Issues	
A.	Award of Contract for Street Lighting/ Telecommunications Ducts	Action
B.	Assignment of Grand Action Contracts	Action
C.	Authorization for Black & Veatch to provide construction engineering/inspection services for the electrical/telecommunication ducts	Action
D.	Authorization for Geotech to self perform regarding the installation for the telecommunication work.	Action
E.	M/WBE Policy for Construction Contracts	Action
XI.	Role of City-County Building Authority	Discussion
XII.	Future Business	
A.	Contract Awards	
B.	Assignment of SMG Contracts	
C.	Assignment of City/DDA Contracts	
D.	Transfer of Van Andel Arena Liquor License	
E.	Investment Services Agreement	
F.	Competitive Bidding	
G.	Adoption of Van Andel Arena FY 2001 Operating Budget	
H.	Adoption of Grand Center FY 2001 Operating Budget	
I.	Adoption of Convention Center Expansion Project Budget	
J.	Consideration of the Need for Other Committees	
K.	Permanent Staffing	
L.	Process for Selection of Management Firm, effective 7/1/01	
M.	Property Insurance	
N.	Other	
XIII.	Future Meeting Schedule	Action
XIV.	Executive Session to Discuss a Matter of Property Acquisition	
XV.	Adjournment	

GRAND RAPIDS-KENT COUNTY CONVENTION /ARENA AUTHORITY**BYLAWS****ARTICLE I
GOVERNING BODY OF AUTHORITY**

Section 1.1. Governing Body. The powers, duties and functions of the Authority are vested in a Board of Directors (hereinafter referred to as the "Board") pursuant to Act 203 of the Public Acts of Michigan of 1999 (hereinafter referred to as the "Act").

**ARTICLE II
BOARD OF DIRECTORS**

Section 2.1. Composition of Board. The Board shall consist of seven (7) members. One (1) member shall be appointed by the Governor of the State of Michigan (hereinafter referred to as the "Governor Appointee"). Two (2) members shall be appointed by the Kent County Board of Commissioners; one (1) of which shall be from the private sector with experience in economic development (hereinafter referred to as the "County Appointees"). Two (2) members shall be appointed by the Mayor of the City of Grand Rapids and approved by the City Commission; one (1) of which shall be from the private sector with experience in economic development (hereinafter referred to as the "City Appointees"). Two (2) members shall be appointed by the other five (5) members as the first item of business at the first Board meeting (and the first meeting of the Board after expiration of the term of a member appointed pursuant to this sentence) from a list containing at least three (3) persons provided by the Grand Rapids/Kent County Convention and Visitors Bureau (the "Bureau") (hereinafter referred to as the "Board Appointees"). If the Bureau shall no longer exist, the list of potential Board Appointees shall be provided by a local convention and visitors bureau designated by the City and the County. All Board members shall be residents of Kent County. In addition, the City Appointees to the Board shall be residents of the City.

Section 2.2. Term of Office. The directors of the Board shall serve the following terms of office:

- (a) The Governor Appointee shall serve a 4-year term.
- (b) The County Appointees shall serve 4-year terms provided, with respect to the initial appointments, one shall serve a 2-year term and the other shall serve a 4-year term.
- (c) The City Appointees shall serve 4-year terms provided, with respect to the initial appointments, one shall serve a 2-year term and the other shall serve a 4-year term.

Section 3.5. Attendance at Meetings. ~~Directors may be present at Board meetings~~
must be present at regular Board meetings in person and may be present at special Board
meetings either in person or by use of amplified telephonic or video conferencing equipment.

Section 3.6. Quorum. A majority of the directors of the Board shall constitute a quorum regardless of any vacancies on the Board.

Section 3.7. Board Action. Any action taken by the Board shall be by majority vote of directors present ~~in person or by use of amplified telephonic or video conferencing equipment at a Board meeting.~~

Section 3.8. Meeting Agendas. The Chairperson shall cause the preparation of an agenda for all meetings and whenever possible the mailing or delivery of the agenda for receipt by directors of the Board at least twenty-four (24) hours prior to the meeting. At the beginning of any regular meeting any director may add items to the meeting's agenda.

Section 3.9. Rules of Order. Unless otherwise required by law or provided in these Bylaws, the most recent version of Webster's New World Robert's Rules of Order, Simplified and Applied, 1999, shall govern the conduct of all meetings of the Board.

ARTICLE IV POWER OF BOARD

Section 4.1. Board Powers. The Board may:

- (a) adopt and amend bylaws for the regulation of its affairs;
- (b) sue and be sued;
- (c) enter into contracts and other instruments necessary, incidental or convenient to the performance of its duties and the exercise of its powers and to designate the person or persons authorized to execute such contracts and instruments;
- (d) solicit, receive and accept gifts, grants, loans or contributions of money, property or other things of value, and other aid or payment, or participate in any other way in federal, state or local governmental programs;
- (e) obtain insurance against loss in connection with the property, assets or activities of the Authority;
- (f) invest Authority funds pursuant to Act 20 of the Public Acts of Michigan of 1943, as amended, and deposit Authority money pursuant to Act 40 of the Public Acts of Michigan of 1932 (1st Ex. Sess.), as amended;
- (g) engage the services of private consultants, managers, legal counsel and auditors;

Section 7.2. Committee Procedures. A majority of the members of a committee constitute a quorum. The concurring vote of a majority of committee members present in person at a meeting at which a quorum is present in person shall constitute the action of the committee. ~~Committee members may be present at committee meetings by use of amplified telephonic or video conferencing equipment.~~ All meetings of a committee shall be noticed and held in compliance with the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended.

ARTICLE VIII CONTRACTS AND FUNDS

Section 8.1. Contracts. The Board may authorize any of the officers of the Board, the Executive Director or any agent of the Authority to enter into any contract or to execute and deliver any instrument on behalf of the Authority within the limits authorized in the Authority's Articles of Organization, the Operating Agreement between the County of Kent and the City of Grand Rapids (the "Operating Agreement") and the Act.

Section 8.2. Authority Funds. All funds of the Authority shall be deposited as required by the Act and placed in such banks, trust companies or other depositories as selected by the Board. All checks, drafts or other orders for payment of money shall be signed by the Treasurer or an assistant treasurer and countersigned by the Chairperson, Vice Chairperson or Executive Director. All bonds, notes or other evidence of indebtedness issued in the name of the Authority shall be signed by any two officers of the Board.

ARTICLE IX BOOKS, RECORDS, ACCOUNTING SYSTEM AND AUDITS

Section 9.1. Books and Records. The Authority shall keep or cause to be kept current and complete records of the books and accounts of the Authority and the minutes of all meetings of the Board. All records and minutes shall be kept at the principal office of the Authority and shall be open to the public as required by law.

Section 9.2. Accounting System. The Board shall cause to be established and maintained, in accordance with generally accepted accounting principles, an appropriate accounting system.

Section 9.3. Annual Audit. An annual audit of the Authority's financial books and records shall be conducted by an independent certified public accounting firm.

ARTICLE X MISCELLANEOUS

Section 10.1. Fiscal Year. The fiscal year of the Authority shall begin on July 1 of a year and end on June 30 of the following year, provided, however, the first fiscal year of the Authority shall commence on the date the Authority is created and end on June 30, 2001.

GRAND RAPIDS-KENT COUNTY CONVENTION /ARENA AUTHORITY

BYLAWS

ARTICLE I GOVERNING BODY OF AUTHORITY

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- (c) The City Appointees shall serve 4-year terms provided, with respect to the initial appointments, one shall serve a 2-year term and the other shall serve a 4-year term.

- (d) The Board Appointees shall serve 4-year terms provided, with respect to the initial appointments, one shall serve a 2-year term and the other shall serve a 4-year term.

Section 2.3. Effective Date of Appointment. The term of office of the initially appointed directors of the Board shall begin on the date of appointment (or the date the Authority is created, if later) and shall end on December 31, 2004, if a 4-year term, and December 31, 2002, if a 2-year term. Thereafter, all terms shall begin on January 1 of a year and end on December 31 four years thereafter. Notwithstanding any other provisions of this section, a Board member shall hold office until his/her successor is appointed and qualified.

Section 2.4. Oath of Office. Each director of the Board shall take the constitutional oath of office which shall be filed as a part of the Authority's records.

Section 2.5. Filling of Vacancies. A director vacancy on the Board shall be filled in the same manner as the original appointment for the remainder of the unexpired term of the directorship vacated.

Section 2.6. Compensation of Directors. Directors of the Board shall serve without compensation, but shall receive reasonable reimbursement for travel and expenses.

ARTICLE III BOARD MEETINGS

Section 3.1. Regular Meetings. The Board shall initially hold regular monthly meetings at the times and places (as limited by these Bylaws) determined at (a) the initial organizational meeting of the Board for the initial calendar year or (b) at the first meeting to be held in January at the call of the Chairperson of subsequent calendar years. Upon approval of the Board, it may meet less frequently than monthly, but not less frequently than quarterly, at the times and places (as limited by these Bylaws) determined by the Board.

Section 3.2. Special Meetings. Special meetings of the Board may be called by (a) the Chairperson, (b) any three (3) directors of the Board and (c) the joint call of the Chairperson of the Kent County Board of Commissioners and the Mayor of the City of Grand Rapids by giving directors of the Board at least twenty-four (24) hours written or telephonic notice of the special meeting and the purpose of the meeting.

Section 3.3. Location of Meetings. All regular and special meetings of the Board shall be held in Kent County.

Section 3.4. Compliance with Open Meetings Act. All regular and special meetings of the Board shall be noticed and held in compliance with the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended.

Section 3.5. Attendance at Meetings. Directors may be present at Board meetings by use of amplified telephonic or video conferencing equipment.

Section 3.6. Quorum. A majority of the directors of the Board shall constitute a quorum regardless of any vacancies on the Board.

Section 3.7. Board Action. Any action taken by the Board shall be by majority vote of directors present in person or by use of amplified telephonic or video conferencing equipment at a Board meeting.

Section 3.8. Meeting Agendas. The Chairperson shall cause the preparation of an agenda for all meetings and whenever possible the mailing or delivery of the agenda for receipt by directors of the Board at least twenty-four (24) hours prior to the meeting. At the beginning of any regular meeting any director may add items to the meeting's agenda.

Section 3.9. Rules of Order. Unless otherwise required by law or provided in these Bylaws, the most recent version of Webster's New World Robert's Rules of Order, Simplified and Applied, 1999, shall govern the conduct of all meetings of the Board.

ARTICLE IV POWER OF BOARD

Section 4.1. Board Powers. The Board may:

- (a) adopt and amend bylaws for the regulation of its affairs;
- (b) sue and be sued;
- (c) enter into contracts and other instruments necessary, incidental or convenient to the performance of its duties and the exercise of its powers and to designate the person or persons authorized to execute such contracts and instruments;
- (d) solicit, receive and accept gifts, grants, loans or contributions of money, property or other things of value, and other aid or payment, or participate in any other way in federal, state or local governmental programs;
- (e) obtain insurance against loss in connection with the property, assets or activities of the Authority;
- (f) invest Authority funds pursuant to Act 20 of the Public Acts of Michigan of 1943, as amended, and deposit Authority money pursuant to Act 40 of the Public Acts of Michigan of 1932 (1st Ex. Sess.), as amended;
- (g) engage the services of private consultants, managers, legal counsel and auditors;
- (h) have the Authority indemnify and procure insurance indemnifying directors;

- (i) establish and maintain an office and employ and fix the compensation of personnel of the Authority, if any, including an executive director or other chief administrative officer;
- (j) hold, clear, remediate, improve, maintain, manage, control, sell, exchange, mortgage and hold mortgages on and any other security interests in, lease, as lessor or lessee, and obtain or grant easements and licenses on property that the Authority acquires;
- (k) authorize the issuance of revenue bonds under the Revenue Bond Act, Act 94 of the Public Acts of Michigan of 1933, as amended;
- (l) acquire, market, promote, construct, improve, enlarge, renew, renovate, replace, lease, equip, furnish or operate a convention hall, auditorium, arena, meeting rooms, exhibition area and related adjacent public areas for lease on a short term basis for holding conventions, meetings, exhibits and similar events, together with appurtenant property, including parking lots and structures, necessary and convenient for use in connection with such facilities; and
- (m) do all other acts and things necessary or convenient to carry out the purposes of the Authority.

ARTICLE V BOARD OFFICERS

Section 5.1. Officers. The officers of the Board are the Chairperson, Vice Chairperson, Secretary and Treasurer. The Chairperson and Vice Chairperson shall be selected by the Board from its directors. The Secretary and Treasurer shall also be selected by the Board but need not be directors of the Board. The same person may hold the office of Secretary and Treasurer.

Section 5.2. Term of Office. The officers of the Board shall be elected at the initial organizational meeting of the Board and biannually at the Board meeting in January of every second year thereafter. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient and an officer whose term has expired shall continue to hold office until a successor is appointed.

Section 5.3. Filling of Vacancies. If a vacancy is created due to the death or resignation of an officer of the Board, a successor shall be elected by the Board to serve for the remainder of the vacated term within sixty (60) days after the director vacancy resulting from such death or resignation has been filled pursuant to Section 2.5 hereof.

Section 5.4. Duties of Officers. The officers of the Board shall have the following duties:

- (a) Chairperson – the Chairperson shall preside at all meetings of the Board and shall discharge the duties of a presiding officer.

- (b) Vice Chairperson – the Vice Chairperson shall perform the duties of the Chairperson in his/her absence.
- (c) Secretary – the Secretary shall maintain custody of the records, books, documents and other papers of the Authority not required to be maintained by the Treasurer. The Secretary shall keep or cause to be kept a record of the proceedings of the Board and shall perform such other duties as may be delegated by the Board.
- (d) Treasurer – the Treasurer shall keep the financial records of the Authority, perform such other duties as may be delegated by the Board and furnish a bond in an amount as may be prescribed by the Board. The premium of any required bond shall be paid for by the Authority.

ARTICLE VI APPOINTMENT AND RETENTION OF OTHER PERSONNEL

Section 6.1. Appointment of Executive Director. The Board may appoint an Executive Director. The Executive Director, if appointed, shall be the chief executive officer of the Authority and shall serve at the pleasure of the Board. A director of the Board is not eligible to hold the position of Executive Director. The Executive Director shall attend all meetings of the Board and shall provide to the Board a regular report covering the activities and financial condition of the Authority. The Executive Director shall also furnish the Board with information or reports governing the operation of the Authority as the Board may from time to time require. If the Executive Director is absent or disabled, the Board may designate a qualified person as acting Executive Director to perform the duties of the office.

Section 6.2. Retention of Legal Counsel. The Board may retain legal counsel to advise and assist the Board in the proper performance of its duties.

Section 6.3. Other Personnel. The Board may appoint or retain other personnel as it considers necessary including, but not limited to, an assistant secretary to assist the Secretary, an assistant treasurer (who shall furnish such bond as required by the Board) to assist the Treasurer, consultants, managers and auditors and shall define each of their duties and responsibilities.

ARTICLE VII COMMITTEES

Section 7.1. Establishment of Committees. The Board may by resolution designate one or more committees to advise the Board. Only one member of a committee need be a director of the Board. The Chairperson of the Board shall appoint committee members and select the chairperson of each committee. Committees may be dissolved by vote of the Board.

Section 7.2. Committee Procedures. A majority of the members of a committee constitute a quorum. The concurring vote of a majority of committee members present at a meeting at which a quorum is present shall constitute the action of the committee. Committee

members may be present at committee meetings by use of amplified telephonic or video conferencing equipment. All meetings of a committee shall be noticed and held in compliance with the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended.

ARTICLE VIII CONTRACTS AND FUNDS

Section 8.1. Contracts. The Board may authorize any of the officers of the Board, the Executive Director or any agent of the Authority to enter into any contract or to execute and deliver any instrument on behalf of the Authority within the limits authorized in the Authority's Articles of Organization, the Operating Agreement between the County of Kent and the City of Grand Rapids (the "Operating Agreement") and the Act.

Section 8.2. Authority Funds. All funds of the Authority shall be deposited as required by the Act and placed in such banks, trust companies or other depositories as selected by the Board. All checks, drafts or other orders for payment of money shall be signed by the Treasurer or an assistant treasurer and countersigned by the Chairperson, Vice Chairperson or Executive Director. All bonds, notes or other evidence of indebtedness issued in the name of the Authority shall be signed by any two officers of the Board.

ARTICLE IX BOOKS, RECORDS, ACCOUNTING SYSTEM AND AUDITS

Section 9.1. Books and Records. The Authority shall keep or cause to be kept current and complete records of the books and accounts of the Authority and the minutes of all meetings of the Board. All records and minutes shall be kept at the principal office of the Authority and shall be open to the public as required by law.

Section 9.2. Accounting System. The Board shall cause to be established and maintained, in accordance with generally accepted accounting principles, an appropriate accounting system.

Section 9.3. Annual Audit. An annual audit of the Authority's financial books and records shall be conducted by an independent certified public accounting firm.

ARTICLE X MISCELLANEOUS

Section 10.1. Fiscal Year. The fiscal year of the Authority shall begin on July 1 of a year and end on June 30 of the following year, provided, however, the first fiscal year of the Authority shall commence on the date the Authority is created and end on June 30, 2001.

Section 10.2. Annual Budgets. The Board shall cause to be prepared annual operating and capital budgets of the Authority and its facilities which shall be approved by the Board and when required by the Authority's Articles of Incorporation and the Operating Agreement (a)

reviewed by the Liaison Committee created in the Operating Agreement and (b) approved by the Kent County Board of Commissioners and the Grand Rapids City Commission.

Section 10.3. Policies and Procedures. The Board shall have the power to adopt such policies and procedures not inconsistent with the Act, the Authority's Articles of Organization, the Operating Agreement and these Bylaws, as it may deem advisable for the management of the affairs of the Authority.

Section 10.4. Amendments. The Board may amend these Bylaws not inconsistent with the Act, the Authority's Articles of Organization and the Operating Agreement by majority vote at a regular or special meeting, provided notice of the amendment has been given at the last preceding regular or special meeting.

Recommended by the Kent County
Board of Commissioners
on March 28, 2000

Recommended by the Grand Rapids
City Commission
on March 28, 2000

Approved by the Board of Directors
of the Grand Rapids-Kent County
Convention/Arena Authority
on _____, 2000

GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY OPERATING AGREEMENT

THIS OPERATING AGREEMENT (hereinafter referred to as the "Agreement") is made as of March 29, 2000, by and between the **COUNTY OF KENT**, Michigan, a Michigan county organized and existing under the Constitution and laws of the State of Michigan (hereinafter referred to as the "County"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (hereinafter referred to as the "City").

RECITALS

A. The City and the County have established the Grand Rapids-Kent County Convention/Arena Authority (hereinafter referred to as the "Authority") pursuant to Act 203 of the Public Acts of Michigan of 1999 (hereinafter referred to as the "Act").

B. The City and the County desire to enter into certain agreements related to the Authority and its operations including (i) the development, construction, ownership and operation of a new convention center, (ii) the ownership and operation of the Van Andel Arena, and (iii) other matters.

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

ARTICLE I AUTHORITY FACILITIES

Section 1.1. New Convention Center. The Authority, it is agreed, shall develop, construct, own, subject to the provisions of this Section 1.1, and operate a new convention center including related parking facilities (hereinafter referred to as the "Convention Center") to be located generally north of Lyon Street, south of Michigan Avenue, west of Monroe Street and east of the Grand River. It is understood and agreed that the ability of the Authority to develop and construct the Convention Center is dependent upon the receipt of funds from the sources identified in a Memorandum of Understanding (hereinafter referred to as the "Memorandum") dated March 29, 2000, executed by the City, the County, the City of Grand Rapids Downtown Development Authority (hereinafter referred to as the "DDA") and the Grand Action Committee (hereinafter referred to as "Grand Action"). It is further understood and agreed that it will be necessary to finance a portion of the costs of the Convention Center through the issuance of building authority bonds by the City-County Building Authority (hereinafter referred to as the "Building Authority") pursuant to Act 31 of the Public Acts of Michigan of 1948 (1st Ex. Sess.), as amended, and during the time that said bonds are outstanding title to the Convention Center shall be in the building authority issuing the bonds with the building authority leasing the Convention Facility to the County, which in turn will sublease it to the Authority. Upon payment of all such bonds, legal title to the Convention Center shall be transferred to the Authority.

Section 1.2. Van Andel Arena. The Authority, it is agreed, shall own, subject to the provisions of this Section 1.2, and operate the Van Andel Arena including the attached pedestrian walkway to the Plaza Towers (hereinafter referred to as the "Walkway") effective July 1, 2000, or such other date as the Authority and the DDA shall agree (hereinafter referred to as the "Arena Transfer Date"). It is understood and agreed, subject to the last sentence of this Section 1.2, that the DDA shall transfer title to the Van Andel Arena, the Walkway and the surrounding area as identified on the attached Exhibit A (hereinafter referred to as the "Arena Properties") to the Authority on the Arena Transfer Date for One Dollar (\$1.00) subject to the following terms and conditions:

- (a) The funds as identified in the Memorandum shall be available for, and construction shall have begun on, the Convention Center.
- (b) All operating reserve funds of the Van Andel Arena on the Arena Transfer Date up to a maximum of \$3,000,000 shall be transferred to the Authority.
- (c) All capital reserve funds of the Van Andel Arena on the Arena Transfer Date shall be transferred to the Authority.
- (d) The assumption by the Authority on the Arena Transfer Date of all agreements, contracts and obligations related to the Arena Properties, except the payment of the DDA's Tax Increment Revenue Bonds, Series 1994 dated December 12, 1994, (hereinafter referred to as the "Series 1994 Bonds").
- (e) On and after the Arena Transfer Date the DDA shall continue to be obligated to pay the principal of and interest on the outstanding Series 1994 Bonds from tax increment revenues collected by the DDA pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended.

Actual legal title to the Arena Properties shall transfer to the Authority simultaneously with the transfer of legal title of the Convention Center to the Authority pursuant to Section 1.1 hereof. From the Arena Transfer Date to such time the DDA shall lease the Arena Properties to the Authority.

Section 1.3. Grand Center. The Authority, it is agreed, shall own, subject to the provisions of this Section 1.3, and operate the Grand Center properties including DeVos Hall identified on the attached Exhibit B (hereinafter identified as the "Grand Center Properties") effective July 1, 2000, or such other date as the Authority and the City shall agree (hereinafter referred to as the "Grand Center Transfer Date"). It is understood and agreed that the Grand Center Properties will be incorporated in, and become a part of, the Convention Center, and that title to the Grand Center Properties will, as a part of the Convention Center, likely be in the Building Authority referenced in Section 1.1 hereof and leased, as a part of the Convention Center, to the Authority during such time bonds of the Building Authority are outstanding to finance a portion of the costs of the Convention Center. It is further understood and agreed that

the City shall transfer title to the Grand Center Properties on the Grand Center Transfer Date for One Dollar (\$1.00) subject to the following terms and conditions:

- (a) The funds as identified in the Memorandum shall be available for, and construction shall have begun on, the Convention Center.
- (b) The assumption by the Authority on the Grand Center Transfer Date of all agreements, contracts and obligations related to the Grand Center Properties.

ARTICLE II ASSIGNMENT AND TRANSFER OF PROPERTY

Section 2.1. Conveyance to Authority. Subject to the terms and conditions in this Article II and in the attached Exhibit D, the City and the County, to the extent of their interest, shall quit-claim to the Authority all of their rights, title and interests in the real property identified and described in the attached Exhibit C (which includes the Grand Rapids police department headquarters building owned by the City, the Hall of Justice owned by the County and the Grand Center/DeVos Hall/Welsh Auditorium, including attached parking facility, owned by the Building Authority with the remainder interest held by the City) for One Dollar (\$1.00) as a part of their respective contributions toward the Convention Center. As a further contribution toward the Convention Center, they shall also, subject to the terms and conditions in this Article II and in the attached Exhibit D, use their best efforts to cause the Building Authority to quit-claim to the Authority all of its rights, title and interests in the real property identified and described in the attached Exhibit C for One Dollar (\$1.00).

Section 2.2. Condition of Assignment and Transfer. The obligation of the City and the County to assign and transfer real property pursuant to this Article II is contingent upon:

- (a) the funds as identified in the Memorandum being available for construction of the Convention Center; and
- (b) the terms and conditions set forth in the attached Exhibit D.

Section 2.3. Authority to Meet Terms and Conditions of Conveyance. Upon the conveyance provided for in Section 2.1 hereof, the Authority shall convey to the City the easements and comply with the other terms and conditions set forth in the attached Exhibit D.

ARTICLE III OPERATING AND CAPITAL RESERVE FUNDS

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

Section 3.2. Capital Reserve. It is agreed that the Authority shall establish and fund a combined capital reserve fund for the Convention Center, Van Andel Arena and DeVos Hall in an amount as shall be reasonably determined by the Authority Board from time to time.

ARTICLE IV OPERATING DEFICITS

Section 4.1. Use of Primary Funds Before Coverage of Deficit Required. If during any fiscal year of the Authority, the Authority experiences an operating deficit for operation (including the general administrative costs of the Authority) of the Convention Center, the Van Andel Arena and/or DeVos Hall, such deficit shall be covered by the following sources of funds in the following order of priority:

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

2000, December 31, 2001, and December 31, 2002; (b) up to \$900,000 for the County's fiscal year ending December 31, 2003, and (c) for each fiscal year of the County thereafter, an amount equal to the amount paid in the immediately preceding fiscal year increased by the same percent as the percentage increase in the Consumer Price Index (All U.S. Cities) of the most recent 12-month period for which such information is available, provided, however, such amount paid in a fiscal year shall not exceed twenty percent (20%) of the hotel/motel tax revenues levied and collected in such fiscal year; and

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

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

ARTICLE V NET OPERATING INCOME

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

ARTICLE VI CONVENTION CENTER PARKING FACILITIES

Section 6.1. Operation of Convention Center Parking Facilities. It is agreed that all parking facilities constituting a portion of the Convention Center shall be operated by the City's Parking System under the direction of the Authority with any net income in a fiscal year of the Authority, after deduction of operating expenses, belonging to the Authority.

Section 6.2. City and County Use of Convention Center Parking. It is agreed that the Authority shall make available to the County and the City for employee and other uses the parking spaces in the Convention Center parking facilities at a cost equal to a pro rata share of operating expenses.

ARTICLE VII MISSION STATEMENTS

Section 7.1. Mission Statements of Authority and Its Facilities. The overall mission statement of the Authority and the individual mission statements of the Convention Center, Van Andel Arena and DeVos Hall shall be as set forth in Appendix I attached hereto.

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

ARTICLE VIII LIAISON COMMITTEE

Section 8.1. Establishment of Liaison Committee. The City and the County shall upon execution of this Agreement established a liaison committee (hereinafter referred to as the "Liaison Committee") comprised of three (3) members of the County Board of Commissioners appointed by the Chairperson of the County Board of Commissioners and approved by the County Board of Commissioners who shall serve at the Chairperson's pleasure and three (3) members of the City Commission appointed by the Mayor of the City and approved by the City Commission who shall serve at the Mayor's pleasure.

Section 8.2. Chairperson of Liaison Committee. Members of the Liaison Committee shall select one Committee member as chairperson to preside over committee meetings.

Section 8.3. Meetings of Liaison Committee. Meetings of the Liaison Committee may be called by the Chairperson or any two (2) members of the Committee upon at least twenty-four (24) hours written notice to Committee members.

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

- (a) annually review and report to the County Board of Commissioners and the City Commission on (i) the fulfillment of the Authority's overall mission statement and the separate mission statements of the Convention Center, the Van Andel Arena and DeVos Hall and (ii) the Authority's operations ; and
- (b) review and advise the County Board of Commissioners and the City Commission regarding those matters requiring the exercise of the reserve powers identified in Article X of the Authority's Articles of Organization.

ARTICLE IX TERM

Section 9.1. Effective Date. This Agreement shall be effective upon the establishment of the Authority by resolution of the County Board of Commissioners and the City Commission and the filing of such resolutions with the Michigan Secretary of State.

Section 9.2. Term of Agreement. This Agreement shall remain in effect so long as the Authority exists.

ARTICLE X MISCELLANEOUS

Section 10.1. Governing Law. This Agreement has been entered into in the State of Michigan (hereinafter referred to as the "State") and all questions related to its interpretation or enforcement shall be construed in accordance with the laws of the State.

Section 10.2. Severability. Each provision of this Agreement will be considered severable and if, for any reason, any provision or provisions of this Agreement are determined to be invalid and contrary to any existing or future law, the invalidity will not impair the operation of or affect those portions of this Agreement that are valid.

Section 10.3. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 10.4. Captions. The captions or headings of this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, articles or sections of this Agreement.

Section 10.5. Entire Agreement. Except as otherwise indicated in this Agreement, this Agreement constitutes the entire agreement between the parties and there are no other representations, promises or agreements, oral or written, expressed or implied, between the parties hereto with respect to the subject matter of this Agreement.

Section 10.6. Amendments. This Agreement may not be amended, changed, modified or altered without the written consent of both the City and the County. and if such amendment, change, modification or alteration affects either the DDA or the Authority, it shall be approved in writing by the DDA and the Authority respectively.

Section 10.7. Assignment. This Agreement and all rights and obligations hereunder shall not be assignable unless the City, the County, the DDA and the Authority agree to such assignment. In the event of a proper assignment, the covenants and agreements herein contained shall bind, and the benefits and advantages shall inure to, the successors and assigns of the County, the City, and, to the extent applicable, the DDA and the Authority.

Section 10.8. Exhibits. Any exhibits attached hereto are incorporated herein as though fully stated herein.


Section 10.9. Waiver. The waiver of either party hereto of a breach or violation of any provision of this Agreement shall not be a waiver of any subsequent breach of the same or any other provision of this Agreement.

Section 10.10. Parties; No Rights to Third Parties. This Agreement shall be enforceable only by the City and the County and their successors in interest by virtue of an assignment which is not prohibited under the terms of this Agreement. This Agreement shall not be deemed to be an agreement for the benefit of any third party or parties and no other third party or parties, including specifically the DDA and the Authority, shall have any right of action under it for any cause whatsoever.

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

Dated: March 29, 2000

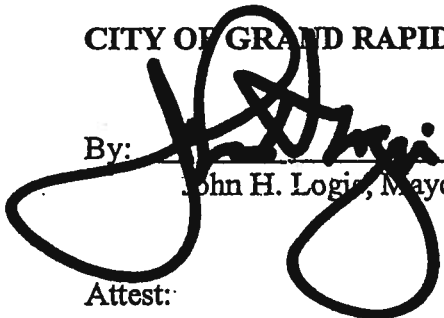
APPROVED FOR MAYOR'S SIGNATURE


Special Counsel

Dated: March 29, 2000

CITY OF GRAND RAPIDS

By:

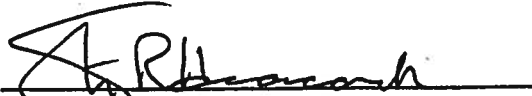

John H. Logie, Mayor

Attest:


Mary Therese Hegarty, City Clerk

COUNTY OF KENT

By:


Steven R. Heacock
Board Chairperson

Attest:

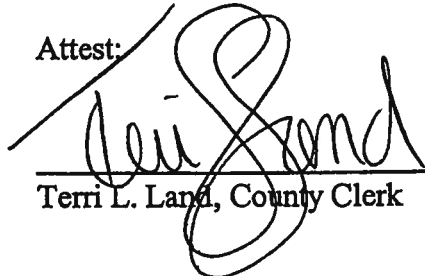

Terri L. Land, County Clerk

EXHIBIT A

ARENA PROPERTIES

LEGAL DESCRIPTION OF VAN ANDEL ARENA AND THE SURROUNDING AREA

That portion of Calder Street, Kent Plat and Almy Street, Kent Plat, a recorded plat in the City of Grand Rapids, Kent County, Michigan, more particularly described as: Commencing at the Northeast corner of vacated Oakes Street (66 feet wide) and Ottawa Avenue, formerly Calder Street (66 feet wide); thence North along the East line of Ottawa Avenue, formerly Calder Street, to a point lying 44.10 feet South of the Northwest corner of Lot 2, Calder Street, said plat; thence Northeasterly 56.45 feet, more or less, to a point on the South line of Fulton Street (66 feet wide) lying 36.53 feet East of the Northwest corner of said Lot 2; thence East along the South line of Fulton Street to the West line of Ionia Avenue Alley, formerly Prairie Street Alley (20 feet wide); thence South along the West line of Ionia Avenue Alley, formerly Prairie Street Alley, and said West line extended South to the South line of Weston Street, formerly Island Street (66 feet wide); thence continuing South along the West line of vacated Ionia Avenue Alley, formerly Prairie Street Alley (20 feet wide) to the North line of vacated Oakes Street; thence West along the North line of vacated Oakes Street to the point of Beginning.

Note: That portion of Weston Street (66 feet wide) which lies within the above described parcel is in the process of being vacated.

LEGAL DESCRIPTION OF WALKWAY

A three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Kent Plat, Calder Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 88.73 feet; thence S81°52'45"E 38.78 feet to the Easterly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block); thence S89°58'45"E 99.97 feet to the Westerly line of the Ottawa Avenue (66.00 feet wide); thence N88°13'08"E 66.03 feet to the Easterly line of Ottawa Avenue and the Point of Beginning for said horizontal centerline; thence N88°13'08"E 13.04 feet to the face of an existing building and the Point of Ending for said horizontal centerline.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Kent Plat, Calder Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 88.73 feet; thence S81°52'45"E 38.78 feet to the Easterly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block); thence N89°58'45"E 99.97 feet to the Westerly line of the Ottawa Avenue (66.00 feet wide) and the Point of Beginning for said horizontal centerline; thence N88°13'08"E 66.03 feet to the Easterly line of Ottawa Avenue and the Point of Ending for said horizontal centerline.

And also, a three dimensional area of space having vertical limits lying between elevation 637.00 and elevation 647.00 (N.G.V. Datum) over that part of Kent Plat, Calder Street (Block) of Section 25, Town 7

North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 88.73 feet; thence S81°52'45"E 38.78 feet to the Easterly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block) and the Point of Beginning; thence N00°01'36"E 8.00 feet along the said Easterly line of said alley; thence S89°58'45"E 99.93 feet to the Westerly line of Ottawa Avenue; thence S00°00'00"W 16.00 feet; thence N68°10'51"W 10.77 feet; thence N89°58'45"W 47.77 feet; thence S00°03'52"E 28.00 feet; thence N89°58'45"W 12.00 feet; thence N00°03'52"W 28.00 feet; thence N89°58'45"W 20.17 feet; thence S68°13'13"W 10.77 feet to the Easterly line of said alley; thence N00°01'36"E 8.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 613.00 and elevation 647.00 (N.G.V. Datum) over that part of Kent Plat, Calder Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 88.73 feet; thence S81°52'45"E 38.78 feet to the Easterly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block); thence N00°01'36"E 8.00 feet along the said Easterly line of said alley to the Point of Beginning; thence N00°01'36"E 14.00 feet; thence S89°58'45"E 26.47 feet; thence S00°01'36"W 14.00 feet; thence N89°58'45"W 26.47 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 613.00 and elevation 647.00 (N.G.V. Datum) over that part of Kent Plat, Calder Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 88.73 feet; thence S81°52'45"E 38.78 feet to the Easterly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block); thence S00°01'36"E 8.00 feet along the said Easterly line of said alley; thence N68°13'13"E 10.77 feet; thence S89°58'45"E 20.17 feet; thence S00°03'52"E 7.00 feet to the Point of Beginning; thence N89°58'45"W 13.50 feet; thence S00°03'52"E 21.00 feet; thence S89°58'45"E 13.50 feet; thence N00°03'52"W 21.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of the 20.00 foot alley lying between Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 88.73 feet; thence S81°52'45"E 18.58 feet to the Westerly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block) and the Point of Beginning for said horizontal centerline; thence S81°52'45"E 20.20 feet to the Easterly line of the 20.00 foot wide alley lying between the Kent Plat, Summit Street (Block) and Kent Plat, Calder Street (Block) and the Point of Ending for said horizontal centerline.

And also, that part of Kent Plat, Summit Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 85.03 feet to the Point of Beginning for this description; thence N00°04'20"E 10.00 feet; thence S89°55'40"E 4.41 feet; thence

S81°52'45"E 4.41 feet; thence S08°07'15"W 20.00 feet; thence N81°52'45"W 3.00 feet; thence N89°55'40"W 3.00 feet; thence N00°04'20"E 10.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Kent Plat, Summit Street (Block) of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 170.38 feet; thence S89°55'40"E 7.19 feet to the Easterly right of way line of Grandville Avenue (100.00 feet wide) and the Point of Beginning for said horizontal centerline; thence S89°55'40"E 81.54 feet; thence S81°52'45"E 18.58 feet to the Westerly line of the 20.00 foot wide alley lying between the Kent Plat Summit Street (Block) and Kent Plat Calder Street (Block) and the Point of Ending for said horizontal centerline.

And also, that part of vacated Grandville Avenue (100 feet wide) of the Southeast 1/4 of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 84.92 feet to the Southeasterly right of way line of Market Avenue (said right of way line being 36.00 feet (perpendicular measurement) Southeasterly of and parallel with the centerline of Market Avenue); thence S63°11'03"E 80.08 feet to the Point of Beginning for this description; thence N26°48'21"E 10.00 feet parallel with the centerline of Market Avenue; thence S63°11'03"E 3.00 feet; thence S89°55'40"E 3.00 feet; thence S00°04'20"W 20.00 feet; thence N89°55'40"W 7.75 feet; thence N63°11'03"W 7.75 feet; thence N26°48'57"E 10.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of vacated Grandville Avenue (100 feet wide) of the Southeast 1/4 of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 84.92 feet to the Southeasterly right of way line of Market Avenue (said right of way line being 36.00 feet (perpendicular measurement) Southeasterly of and parallel with the centerline of Market Avenue) and the Point of Beginning for said horizontal centerline; thence S63°11'03"E 85.46 feet; thence S89°55'40"E 7.19 feet to the Easterly right of way line of vacated Grandville Avenue and the point of ending for said horizontal centerline.

And also, that part of vacated Grandville Avenue (100 feet wide) of the Southeast 1/4 of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 84.92 feet to the Southeasterly right of way line of Market Avenue (said right of way line being 36.00 feet (perpendicular measurement) Southeasterly of and parallel with the centerline of Market Avenue); thence S63°11'03"E 5.00 feet to the Point of Beginning for said horizontal centerline; thence N26°11'03"E 10.00 feet parallel with the centerline of Market Avenue; thence S63°11'03"E 6.00 feet; thence S26°11'03"W 20.00 feet; thence N63°11'03"W 6.00 feet; thence N26°11'03"E 10.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Bryan and Ball's Subdivision (Liber 2 of Plats, Page 17) and part of the Southeast 1/4 of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 174.90 feet; thence S63°11'03"E 4.92 feet to the

Northwesterly right of way line of Market Avenue (said right of way line being 44.00 feet (perpendicular measurement) Northwesterly of and parallel with the centerline of Market Avenue) and the Point of Beginning for said horizontal centerline; thence S63°11'03"E 44.00 feet to a point on the centerline of Market Avenue which is N88°18'21"W 1481.10 feet along the East-West 1/4 line and S26°48'21"W 216.09 feet along the centerline of Market Avenue from the East 1/4 corner of said Section; thence S63°11'03"E 36.00 feet to the Southeasterly right of way line of Market Avenue and the Point of Ending for said horizontal centerline.

And also, that part of Bryan and Ball's Subdivision (Liber 2 of Plats, Page 17) and Innes, Mc Connell & Barnard's Subdivision (Liber 4 of Plats, Page 42), Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1481.10 feet along the East-West 1/4 line of said Section; thence S26°48'21"W 185.00 feet along the centerline of Market Avenue; thence N63°11'39"W 44.00 feet to the Northwesterly right of way line of Market Avenue and the Point of Beginning for this description; thence S26°48'21"W 68.00 feet along said Northwesterly right of way line; thence N63°11'39"E 29.00 feet; thence N26°48'21"E 68.00 feet; thence S63°11'39"E 29.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Bryan & Ball's Subdivision (Liber 2 of Plats, Page 17) and Innes, Mc Connell & Barnard's Subdivision (Liber 4 of Plats, Page 42), Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 47.00 feet to the Southerly right of way line of Fulton Street and the Point of Beginning for said horizontal centerline; thence S01°41'03"W 127.90 feet; thence S63°11'03"E 4.92 feet to the Northwesterly right of way line of Market Avenue (said right of way line being 44.00 feet (perpendicular measurement) Northwesterly of and parallel with the centerline of Market Avenue) and the Point of Ending for said horizontal centerline.

And also, that part of Bryan & Ball's Subdivision (Liber 2 of Plats, Page 17), Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 47.00 feet to the Southerly right of way line of Fulton Street and the Point of Beginning; thence S88°18'21"E 10.00 feet along said Southerly right of way line; thence S01°41'03"W 6.00 feet; thence N88°18'21"W 20.00 feet; thence N01°41'03"E 6.00 feet; thence S88°18'21"E 10.00 feet to the Point of Beginning.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Bryan & Ball's Subdivision (Liber 2 of Plats, Page 17) and Innes, Mc Connell & Barnard's Subdivision (Liber 4 of Plats, Page 42), Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-West 1/4 line of said Section; thence S01°41'03"W 47.00 feet to the Southerly right of way line of Fulton Street and the Point of Beginning for said horizontal centerline; thence N01°41'03"E 86.31 feet to the Northerly right of way line for Fulton Street and the Point of Ending for said horizontal centerline.

And also, a three dimensional area of space having vertical limits lying between elevation 629.00 and elevation 654.00 (N.G.V. Datum) and having a horizontal width of 20.00 feet and a horizontal centerline over that part of Innes, Mc Connell & Barnard's Subdivision (Liber 4 of Plats, Page 42), Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan described as: Commencing at the East 1/4 corner of said Section; thence N88°18'21"W 1617.13 feet along the East-

West 1/4 line of said Section; thence N01°41'03"E 39.31 feet to the Northerly right of way line of Fulton Street and the Point of Beginning for said horizontal centerline; thence N01°41'03"E 6.03 feet to the face of an existing building and the Point of Ending for said horizontal centerline.

EXHIBIT B

LEGAL DESCRIPTION OF GRAND CENTER PROPERTIES

Part of the Kent Plat and part of the NE ¼, Section 25, T7N, R12W, City of Grand Rapids, Kent County, Michigan, described as: Commencing at the Northeast corner of Lot 2, Kent Plat as platted; thence South 01° 17' 56" East 469.88 feet along the West line of Monroe Avenue (100 feet wide) to the place of beginning; thence South 01° 17' 56" East 561.52 feet; thence South 88° 44' 34" West 92.22 feet along the South line of the North 35 2/3 feet of Lot 34, Kent Plat; thence South 01° 17' 56" East 44.42 feet along the West line of the east 12 feet of the Monroe Avenue Alley; thence South 88° 44' 34" West 156.93 feet along the North line of Lyon Street (66 feet wide) to the West line of Campau Avenue extended South; thence North 01° 17' 56" West 28.12 feet along the West line of Campau Avenue extended South to the North line of Lyon Street (96 feet wide); thence South 88° 44' 34" West 280.91 feet along the North line of Lyon Street to the East dock line of Grand River; thence North 03° 21' 54" East 311.0 feet along said East dock line; thence continuing along said East dock line North 05° 21' 17" East 267.86 feet; thence North 88° 42' 04" East 473.10 feet along the South line of stone wall of the Justice Building, to the place of Beginning.

This description was taken from a Quit Claim Deed dated November 25, 1980, conveying said parcel from the City of Grand Rapids to the City of Grand Rapids and County of Kent Joint Building Authority as recorded in Liber 2347, Page 865, Kent County Records.

ST. MICHIGAN

ST.

Grand River

AVE. 100

AVE. 66

AVE. 66

(207)

Basin

AL-029

GRAND CENTER PROPERTIES

(227)

(228)

(256)

(276)

AMWAY GRAND PLAZA CONDOMINIUM
REPLAT NO. 1 KENT COUNTY SUBDIVISION
PLAN NO. 70 -022 to -039 incl.

(227)

(228)

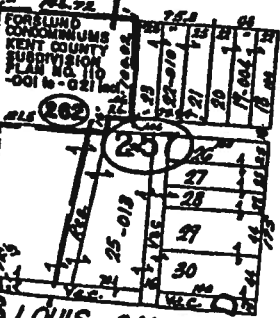
(277)

(278)

(258)

(295)

(286)



AD ST.

EXTRA AVE.

MONROE

MONROE

LOUIS CAMPAN

PROMENADE

MARKET AVE.

FOUNTAIN

EXHIBIT C

LEGAL DESCRIPTION OF PROPERTY TO BE CONVEYED

A parcel of land located in the Northeast quarter of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan further described as:

Beginning at the Northeast corner of Lot 2 of Kent Plat as recorded in Liber 19 of plats, on page 12 in the office of the Register of Deeds for Kent County, Michigan; thence along the easterly right of way line of Monroe Avenue, formerly Canal Street (100 feet wide), South $01^{\circ} 17' 56''$ East, 1031.40 feet to the south line of the North $35 \frac{2}{3}$ feet of Lot 34 of said Kent Plat; thence along said south line and its extension, South $88^{\circ} 44' 34''$ West, 92.22 feet to the west line of the east 12 feet of vacated Monroe Avenue Alley; thence along said west line, South $01^{\circ} 17' 56''$ East, 44.42 feet to the north right of way line of Lyon Street (66 feet wide); thence along said north right of way line, South $88^{\circ} 44' 34''$ West, 156.93 feet to the southerly extension of the west right of way line of vacated Campau Avenue, formerly Lock Street; thence along said southerly extension of the west right of way line of Campau Avenue, North $01^{\circ} 17' 56''$ West, 28.12 feet to the north right of way line of Lyon Street (96 feet wide); thence along said north right of way, South $88^{\circ} 44' 34''$ West, 280.91 feet to the westerly face of the concrete floodwall along the easterly side of the Grand River; thence northerly along said floodwall, 1056 feet more or less to the southerly right of way line of Michigan Street, formerly Bridge Street; thence along said southerly right of way line, North $89^{\circ} 27' 09''$ East, 226.43 feet; thence along said southerly right of way line, North $88^{\circ} 45' 09''$ East, 179.92 feet, to the point of beginning. Containing 11.507 acres, more or less.

It is the intent of this legal description to describe the lands owned by the City of Grand Rapids, the County of Kent, and the City-County Joint Building Authority generally lying west of Monroe Avenue, north of Lyon Street, east of the west face of the concrete floodwall on the east bank of the Grand River, and south of Michigan Street.

[illegible]

EXHIBIT D

SPECIAL TERMS AND CONDITIONS OF PROPERTY CONVEYANCE

The following terms and conditions shall apply to the conveyance of the property provided in Section 2.1 of this Agreement:

(1) **Delay in Conveyance or Continued Occupancy.** The County shall not be obligated to convey its rights, title and interests in the property identified and described in Exhibit C until completion and occupancy of the new Kent County Courthouse being constructed at corner of Ottawa Avenue and Lyon Street in the City and the City shall not be obligated to convey its rights, title and interests in the property until the completion and occupancy of a new Grand Rapids police department headquarters/facilities at a location or locations in the City yet to be determined. Alternatively, the County and/or the City may in their sole discretion quit-claim their rights, title and interests in the property before this contingency is fully met, in which case possession of each of the premises referred to in the preceding sentences shall not pass to the Authority until the respective condition is met with respect to the replacement premises.

(2) **Continued Use of Sewer and Other Utilities.** Unless otherwise agreed to by the City, after the conveyance of the property, the City may continue to use, operate, repair, and maintain the sanitary sewer line and other utilities including, but not limited to, electric and communication lines, currently located within that property until such time as the replacement lines are constructed, connected and operational, which is anticipated to occur by December 31, 2001.

(3) **Vacation.** To acquire a portion of the existing Monroe Avenue right-of-way adjacent to the Convention Center site and to clear certain old encumbrances on the title to that site, the Authority will, following the adoption of an approving resolution by the City Commission of the City, undertake or cause to be undertaken the necessary action in the Kent County Circuit Court to vacate that portion of Monroe Avenue and a portion of the Kent Plat.

(4) **Pedestrian Bridge and Tunnel to Amway Hotel Corporation Property.** The pedestrian bridge and the tunnel connecting the Amway Hotel Corporation property with the Grand Center shall remain in place without disturbance during the construction, use, occupancy, repair, maintenance and improvement of the Convention Center, and the conveyance to the Authority shall be subject to the terms and conditions of a Grant of Pedestrian Concourse Easements dated December 22, 1982 and recorded in Liber 2392, Pages 603 and following in the office of the Kent County Register of Deeds.

(5) **Lyon Square and Gillette Bridge Access.** Lyon Square shall remain an area open to the public at all times, except as may, from time to time, be otherwise determined and approved by the City Manager or his designee, to provide public pedestrian access from Monroe Avenue or from the river walkway (described below), to and across the Gillette Bridge over the Grand River.

(6) **Floodwall Easement.** The Authority shall convey to the City a floodwall easement, in the City's standard floodwall easement form, to construct, install, use, operate, repair, maintain and improve the existing floodwall along the Grand River on the entire westerly side of the property. The easement shall be at a width reasonably acceptable to the City and adjacent to and lying easterly of the westerly (river side) face of the existing concrete floodwall. The Convention Center will be built so as to avoid any need to support it during any work on the floodwall.

(7) **River Walkway Easement.** The Authority shall convey to the City a river walkway easement along the Grand River on the entire westerly side of the property at a width reasonably acceptable to the City. The easement shall be adjacent to and lying easterly of the westerly (river side) face of the existing concrete floodwall and shall allow public pedestrian travel over the river walkway which is to be constructed, operated and maintained by the Authority.

(8) **Riparian Rights.** The Authority shall convey to the City any and all riparian rights in the Grand River on the westerly side of the property.

(9) **Boardwalk.** Should the City decide to extend the existing City boardwalk along the Grand River on the westerly side of the property, the Authority shall grant the City the needed easements and other permission to do so.

APPENDIX I

MISSION STATEMENTS

Authority Overall Mission Statement

To encourage economic development within the West Michigan region, create jobs and provide facilities for the entertainment, enjoyment and/or benefit of the citizens in an economical manner by developing and operating convention, entertainment and sports facilities within Kent County.

Van Andel Arena Mission Statement

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

Convention Center Mission Statement

To encourage economic development within the West Michigan region, create jobs and provide a facility for the entertainment, enjoyment and/or economic benefits of the citizens in an economical manner with a priority of regional economic activity through delivery of events that are primarily convention related and encourage the use of local businesses and services with a secondary emphasis on use by the citizens of Kent County including those of the City of Grand Rapids through public events and entertainment, community and sports activities.

DeVos Hall Mission Statement

To encourage economic development within the West Michigan region, create jobs and provide a facility for the entertainment, enjoyment and benefit of the citizens in an economical manner with a priority of artistic programming and a secondary emphasis on facility fiscal responsibility and the delivery of other programming that is entertainment, community and convention related.



FACSIMILE: (616) 750-0750
<http://www.dickinson-wright.com>

RICHARD A. WENDT
rwendt@dickinson-WRIGHT.COM

April 18, 2000

Board of Directors
Grand Rapids-Kent County Convention/Arena
Authority
Grand Rapids, Michigan

Re: Legal Services for Grand Rapids-Kent County Convention/Arena
Authority

Dear Boardmembers:

We are pleased to represent the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"). Dickinson, Wright is one of the oldest and largest law firms in Michigan and we are deeply committed to our profession and to the maintenance of the highest ethical and professional standards. To be sure that we define our representation and clarify our fees, this correspondence is to confirm the engagement.

We will perform legal services for the CAA as you shall request. Both you or we may terminate this engagement anytime upon thirty days' notice to the other.

The charges for our services will be at the rate of \$135.00 per hour plus out-of-pocket expenses. It is the policy of Dickinson Wright to review at least annually the rates charged by all attorneys on all matters and we will automatically increase or decrease our hourly rates charged in accordance with such general Firm review.

We bill in tenth of an hour increments and will provide you with descriptions indicating the date of each service performed.

We would also expect to be reimbursed for all our costs and expenses incurred in connection with the engagement, including such expenses as copying, telephone, facsimile, messenger/courier, postage and travel expense. These will be itemized on each billing statement.

We prefer to bill monthly for time and disbursements to assure that you are kept apprised on a current basis of the extent and cost of work being performed. As we are sure you can appreciate, prompt remittance within thirty days of billing by our clients is appreciated.

We trust that this letter accurately describes the terms and conditions of our engagement but would welcome any questions or comments you may have. If this letter accurately reflects

C o u n s e l l o r s A t L a w

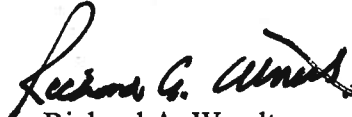
DETROIT BLOOMFIELD HILLS LANSING GRAND RAPIDS WASHINGTON, D.C.

April 18, 2000
Page 2

your understanding of the terms and conditions of our engagement, please execute and return the enclosed copy of this letter to us.

Once again, we are delighted that you have chosen Dickinson Wright to represent the CAA, and we look forward to working with you.

Very truly yours,



Richard A. Wendt

RAW/ph

APPROVED:

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

Chairperson

Dated: _____

EXECUTIVE
OFFICES



CITY OF GRAND RAPIDS



DATE: April 13, 2000

TO: Convention/Arena Authority

FROM: Kurt F. Kimball *[Signature]*
City Manager

RE: INTERIM SUPPORT SERVICES

In order to effectively plan and prepare for the inaugural meeting of the Convention/Arena Authority, I assembled a broad-based team of staff that has been tentatively labeled the Convention/Arena Authority Transition Team (CAATT). At the moment, the membership of this team consists of the following:

City of Grand Rapids

Kurt Kimball, City Manager
Eric DeLong, Deputy City Manager
Robert White, Asst. City Mgr., Fiscal Serv.
Bill Cole, City Engineer

Kent County

Daryl Delabbio, County Administrator
Al Vanderberg, Asst. County Administrator
Dave Waichum, Director of Fiscal Services
Jim Leach, Facilities Management Director

Grand Action

Jon Nunn, Executive Director
Dale Sommers, Project Manager

Legal Counsel

Richard Wendt, Dickinson Wright

SMG

Richard MacKeigan, General Mgr.

Downtown Development Authority (DDA)

Jim Knack, Executive Director

To date, we have met on two occasions. Suffice it to say there has been plenty to talk about. One of the subjects of our conversations has been interim staffing for the Authority from now until such time as the Authority arranges for permanent staff. During this interim, the Transition Team recommends that the support work for the Authority be accomplished as follows:

A. Legal Services

- Contract for services
Key Staff: Richard Wendt

B. Administrative Services

- Schedule meetings
- Prepare agendas
- Organize issue presentations for Authority action
- Prepare and edit minutes
- Post meeting notices
- Prepare and respond to correspondence
- Media and public contacts
- Prepare "action" plan

Key Staff: Richard MacKeigan, Sherri Billington

C. Financial Services

- Establish financial procedures
- Prepare budget
- Process payment of invoices

Key Staff: Kurt Kimball, Daryl Delabbio, Bob White, Jim Knack, Rich MacKeigan, Dave Waichum

D. Oversight of Grand Center and Arena Operations

Key Staff: Bob White, Jim Knack, Al Vanderberg

E. Construction Oversight

- Provide staff to Building Committee
- Take bids, recommend awards
- Coordinate plan reviews and approvals
- Determine cash flow needs, prepare financial plan

Key Staff: Project Manager, clerical assistance by Grand Action, Jon Nunn, Dale Sommers, Eric DeLong, Jim Leach, Bill Cole

During this time of transition and until other staffing arrangements are made, plans are for the CAATT to continue to meet on a monthly basis to coordinate the necessary agenda items for the Authority.

KFK/nlm

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

DATE: April 13, 2000

TO: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority

FROM: Dick Wendt
Legal Counsel

SUBJECT: Receipt of \$65,000,000 State of Michigan appropriated funds for new convention center

Background: The State of Michigan has appropriated \$65,000,000 towards the cost of the new convention center which is to be made available to the CAA after it has been established. Conversations with representatives of the State Treasurer's office indicate that several steps will need to be accomplished for the release of funds. Since costs have already been incurred and you will presumably be immediately awarding a contract for additional work (i.e., relocation of ducts in Monroe Avenue), it is necessary that the CAA proceed promptly to accomplish procedures for release of funds.

Recommendation: Adoption of a motion authorizing the Chairperson of the Board and legal counsel to take such steps as are necessary to arrange for the release to the CAA of the State appropriated funds.

GRAND CENTER EXPANSION AND RENOVATION**Project Status**

- On March 1, 2000 the Building Committee approved Schematic Design on the Project Area North of DeVos Hall to Michigan Street (includes the front of DeVos Hall) and approved to Proceed with Design Development on the Project Area North of DeVos Hall to Michigan Street (includes the front of DeVos Hall).
- Balance of Project area (Grand Center/Welsh) is being evaluated on extent of renovation vs new construction based on a number of factors (cost/soil conditions). The recommendations will come to Building Committee over next two months.
- Construction Manager retained (Erhardt Construction/Huber, Hunt Nichols) to provide Pre-Construction Services:
 - Schematic estimate including a phasing plan – Mid May 2000
 - Preconstruction Management Plan
 - Design Development Estimate – Dec 2000
 - Phasing and Logistics
 - Constructability Reviews
 - Value Engineering
 - Attendance at Design Meetings
 - Market Analysis
 - Coordination with Owner and Designers
 - Projected Project Construction Schedule
 - Project investigation for MBE, WBE, and EEO
 - Labor supply availability
 - Site Utilization Study
 - Construction Site Staging Study

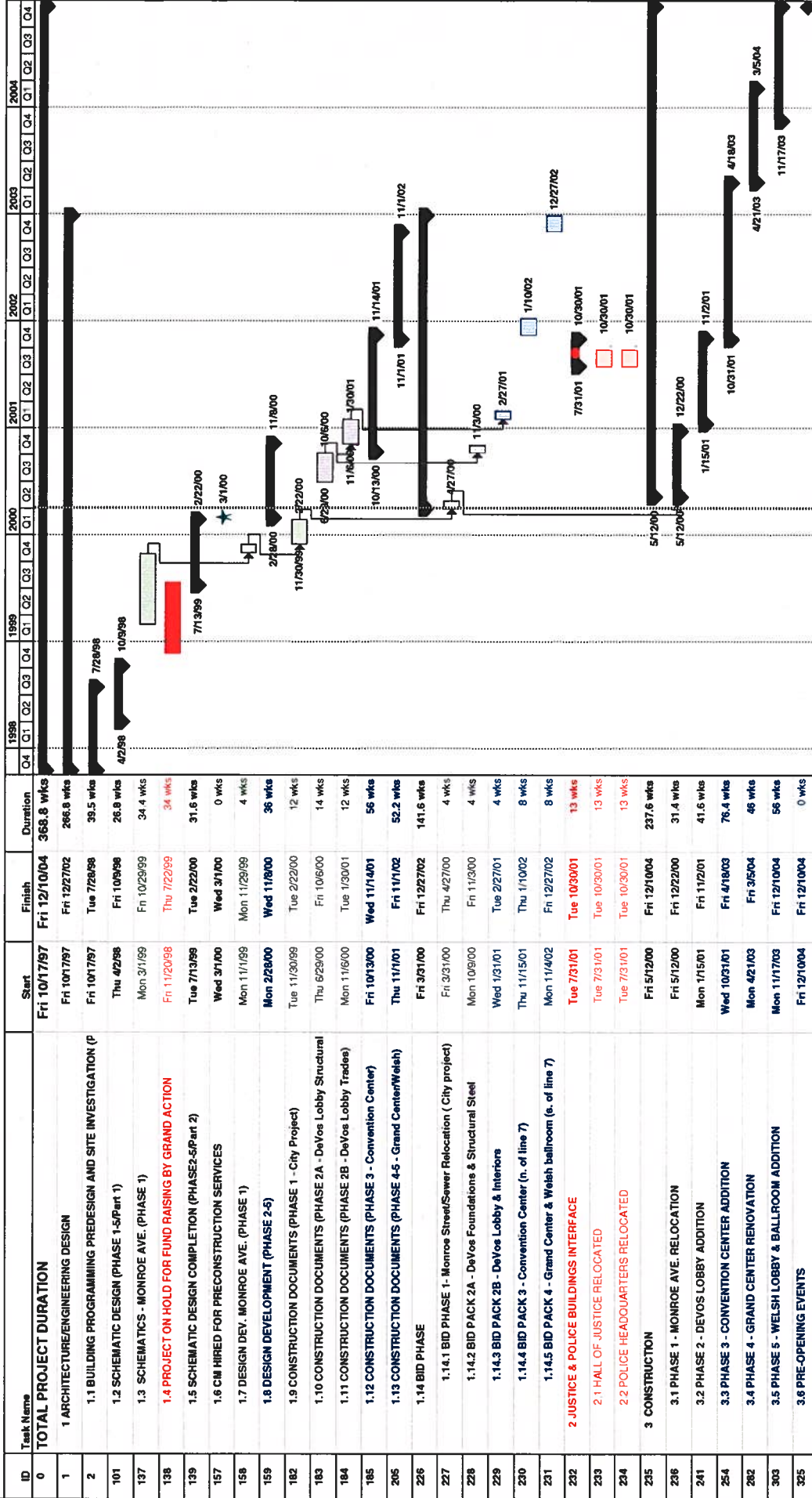
Monroe Avenue Re-location to East, moving Sanitary and Storm Sewer off Project site and in Monroe, plus all other utilities.

- Private utilities have begun relocating with Sewer to Start in June/July.
- This year (2000) from North of Pearl to South of Michigan on Monroe the above will be done.
- Balance to be done in 2001 – Pearl intersection to Campus and North of Michigan to final connection point.

GRAND CENTER EXPANSION GRAND RAPIDS, MICHIGAN

PROJECT SCHEDULE BASELINE

original issue date - 09/23/98
DRAFT 03/28/00



GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

DATE: April 13, 2000

TO: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority

FROM: Dick Wendt
Legal Counsel

SUBJECT: Establishment of a Building Committee

Background: A building committee established by the City, County and Grand Action has been involved in the planning of the new convention center for 24 months. The City, County and Grand Action believe this committee should formally become a committee of the Board. The Bylaws of the Board provide that it may designate committees by resolution of the Board. After establishment, the Bylaws provide that the Board Chairperson appoint committee members and select the chairperson.

Recommendation: Adoption of the attached resolution establishing the Building Committee of the Board and generally describing its duties and functions and appointing Committee members. After establishment, the Board Chairperson should appoint the following Committee members:

- David Frey – Boardmember
- Birgit Klohs – Boardmember
- Marty Allen
- Bill Cole
- Daryl Delabbio
- Jim Gray
- Dianette Hight
- Kurt Kimball
- Jim Leach
- Rich MacKeigan
- Don Maine
- Jon Nunn
- Dale Sommers
- John Canepa – *ex officio*
- Robert Hooker – *ex officio*

and designate David Frey as Committee Chairperson.

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

**RESOLUTION ESTABLISHING BUILDING COMMITTEE AND
DESCRIBING ITS DUTIES AND FUNCTIONS**

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

WHEREAS, the Bylaws of the Grand Rapids-Kent County Convention/Arena Authority
(the "CAA") provide that the Board of the CAA may by resolution designate one or more
committees to advise the Board; and

WHEREAS, prior to the establishment of the CAA, the City of Grand Rapids, Kent
County and Grand Action established a building committee related to the planning, development
and construction of a new convention center; and

WHEREAS, the Board has determined to establish a building committee of the Board
(the "Building Committee") and to describe its duties and functions.

RESOLVED:

1. That the Building Committee is established.
2. That the duties and functions of the Building Committee shall be to assist and
advise the Board in the planning, development and construction of a new convention center.
3. That all resolutions or parts of resolutions in conflict herewith shall be and the
same are hereby rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

CERTIFICATION

I, the undersigned duly qualified and acting Chairperson 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 the CAA at a regular meeting held on April 18, 2000, 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: April 18, 2000

Chairperson



City
of
Grand
Rapids

VAN ANDEL ARENA

**Operating Budget
For Fiscal Year 6/30/2001**

- * Financial Highlights
- * Statement of Income
- * Indirect Expense Summary
- * Management Fee
- * Capital Projects
- * Event Summary
- * Cash Forecast
- * Salary Allocation



An SMG Managed Facility

**VAN ANDEL ARENA
FINANCIAL HIGHLIGHTS
BUDGET - YEAR ENDING 6/30/01**

HIGHLIGHTS

Event income is expected to come in ahead of current fiscal year forecasts. This increase is from the continued support that the Arena has received, as well as, non yearly events like the Western Regional Hockey Championships that will be held during March 2001.

Other operating income and indirect expenses are expected to remain consistent with previous years. Indirect expenses will increase in the coming year by approximately 4.6%. Overall the Arena is expected to generate over \$1.2 million in revenue above expenses for the 2001 fiscal year.

VAN ANDEL ARENA
STATEMENT OF INCOME
BUDGET - YEAR ENDING
6/30/01

	Jun-01 TOTALS	ACTUAL/EST. 6/30/00	CHANGE
# OF EVENTS	163	156	7
EVENT OPERATING INCOME:			
DIRECT EVENT INCOME	1,303,223	1,078,728	224,495
ANCILLARY INCOME:			
FOOD & BEVERAGE	1,110,632	1,034,171	76,461
NOVELTY	190,537	220,301	(29,764)
PARKING	-	-	-
CATERING	90,518	116,903	(26,385)
OTHER	37,621	18,962	18,659
TOTAL ANCILLARY INCOME	1,429,308	1,390,337	38,971
TOTAL EVENT INCOME	2,732,531	2,469,062	263,469
OTHER OPERATING INCOME:			
ADVERTISING INCOME	517,255	502,511	14,744
INTEREST INCOME	90,000	89,829	171
TICKET INCENTIVES	74,850	71,645	3,205
LUXURY SEATING	810,000	800,919	9,081
MISCELLANEOUS	113,454	111,400	2,054
TOTAL OTHER INCOME	1,605,559	1,576,304	29,255
ADJUSTED GROSS INCOME	4,338,090	4,045,366	292,724
INDIRECT EXPENSES:			
EXECUTIVE	99,061	93,393	5,668
FINANCE	141,461	138,073	3,388
OPERATIONS	1,043,202	1,030,031	13,171
MARKETING	152,070	150,877	1,193
BOX OFFICE	125,614	112,137	13,477
LUXURY SEATING	104,707	84,413	20,294
SKYWALK	32,895	32,960	(65)
OVERHEAD	1,382,858	1,296,534	86,324
TOTAL INDIRECT EXPENSES	3,081,868	2,938,418	143,450
NET FACILITY INCOME (LOSS)	1,256,222	1,106,949	149,274
LESS CAPITAL RESERVE	(546,363)	(530,450)	(15,913)
ADJUSTED INCOME (LOSS)	709,859	576,499	133,361

**VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
BUDGET - YEAR ENDING 6/30/01**

	2001 Budget
Salaries & Wages	885,838
Wages - Parttime	552,676
Automobile	9,967
Payroll Taxes	123,466
Union Expenses	52,268
Employee Benefits	98,079
Pension	25,207
Salaries Allocated	(769,336)
Total Labor Costs	978,165
Advertising	25,000
Contracted Cleaning	24,000
Contracted Security	190,000
Bank Service Charges	6,000
Small Tools	3,200
Marketing Fund	40,000
Ammortization	23,558
Dues & Subscriptions	3,400
Meals & Entertainment	3,500
Equipment Rental	11,600
Exterminating	3,600
Insurance	253,436
Landscaping & Windows	10,000
Local Taxes	6,000
Management Fee	332,436
Meetings, Conventions, & Training	20,000
Operation Vehicles	600
Postage	12,000
Printing & Stationary	30,000
Professional Fees	23,000
Repairs & Maintenance	128,500
Box Office Expenses	13,600
Snow Removal	750
Supplies - Office	12,000
Supplies - Operations	188,200
Telephone	52,000
Trash Removal	14,000
Travel	12,500
Computers	25,000
Parking	16,000
Utilities	660,000
Allocated Expenses	(38,605)
Total Materials & Service	2,105,275
Total Indirect Expenses	3,083,440

**VANANDEL ARENA - GRAND RAPIDS
MANAGEMENT FEE CALCULATION
BUDGET - YEAR ENDING 6/30/01**

DESCRIPTION OF CALCULATION

The management fee is composed of two parts, the Base Fee and the Incentive Fee. The base fee is \$254,616, adjusted for an expected 2.5% increase in the CPI-U. The incentive fee is calculated at 20% of the first \$500,000 of revenues in excess of the benchmark and 25% of any revenue increase in excess of \$500,000. The incentive fee can not exceed the base fee in any given year. The benchmark is \$3,988,797, adjusted for an expected 2.5% increase in the CPI-U.

MANAGEMENT FEE CALCULATION

	FY 2001 BUDGET	FY 2000 ACT/EST
BASE FEE	\$260,981	\$254,616
INCENTIVE FEE		
Revenue	\$4,338,090	\$3,988,797
Benchmark Revenue	\$3,988,675	\$3,891,390
Projected Revenue Increase	\$349,415	\$97,407
TOTAL INCENTIVE FEE	\$69,883	\$19,481
TOTAL SMG FEE	\$330,864	\$274,097

**VAN ANDEL ARENA
CAPITAL PROJECTS
BUDGET - YEAR ENDING 6/30/01**

Capital Improvements

Building

Security - Intercom & Buzzer System	18,000	
Security - Gate System for Lobby	18,000	
Refurbish Suites	<u>100,000</u>	136,000

Machinery & Equipment

HVAC Upgrades	20,000	
Box Office Speaker System	<u>10,000</u>	30,000

Total Capital Request

166,000

EVENT SUMMARY

EVENT	NO. EVENTS	TURNSTILE ATTENDANCE	NET TAX REVENUE	RENTAL INCOME	SERVICES INCOME	DIRECT EVENT INCOME	FOOD & BEVERAGE	CATERING INCOME	NOVELTY INCOME	OTHER ANCILLARY	TOTAL ANCILLARY	FY 2001 EVENT BUDGET	FY 2000 EVENT ROLL
HOOP'S BASKETBALL	28	53,200	-	212,800	(149,996)	62,804	56,840	5,124	-	-	61,964	124,768	123,116
GRIFFINS HOCKEY	43	301,000	-	350,106	(311,578)	38,528	325,080	33,841	-	30,702	389,623	428,151	409,370
NBA PRESEASON	1	10,800	270,000	20,000	(9,204)	10,796	24,300	1,400	-	-	25,700	36,496	24,082
NHL PRESEASON	8	72,000	-	62,344	(48,392)	13,952	-	-	-	5,712	5,712	19,664	11,636
RAMPAGE ARENA FOOTBALL	2	7,000	49,000	12,000	3,015	15,015	6,825	542	-	-	7,367	22,382	20,282
OLD KENT CLASSIC	1	7,000	70,000	7,500	1,573	9,073	5,250	262	-	-	5,512	14,585	-
COLLEGE BASKETBALL	2	14,000	280,000	120,000	(85,384)	34,616	31,500	2,450	3,080	-	37,030	71,646	14,577
COLLEGE HOCKEY	2	17,000	390,000	50,800	16,583	67,383	34,750	769	19,950	-	55,469	122,852	153,619
PROFESSIONAL WRESTLING	-	-	-	-	-	-	-	-	-	-	-	-	3,428
INDOOR SOCCER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SPORTS	87	482,000	1,059,000	835,550	(583,383)	252,167	484,545	44,388	23,030	36,414	588,377	840,544	789,267
RIBB CIRCUS	8	36,000	576,000	101,180	(82,226)	18,954	42,300	1,662	-	-	43,962	62,916	59,459
GLOBTROTTERS	1	4,000	74,000	16,300	(8,385)	7,915	6,500	472	2,100	-	9,072	16,987	17,211
DISNEY ON ICE	8	32,000	512,000	104,500	(75,574)	28,926	28,000	875	-	-	28,875	57,801	21,023
SUPERDOGS	2	6,000	60,000	2,000	3,259	5,259	6,750	105	-	-	6,855	12,114	186
STARS ON ICE	1	10,200	392,700	47,124	8,168	55,292	8,262	768	6,105	-	15,135	70,427	68,777
CHAMPIONS ON ICE	1	8,500	382,500	35,000	11,343	46,343	8,500	1,400	2,677	-	12,577	58,920	55,494
RODIO	2	12,200	164,700	44,000	(18,620)	25,380	22,875	350	1,890	-	25,115	50,495	46,474
LIPIZZANER STALLIONS	2	3,000	45,000	10,000	2,556	12,556	1,650	87	315	-	2,052	14,608	-
MONSTER TRUCK	3	18,000	216,000	25,920	11,916	37,836	27,900	700	5,250	-	33,850	71,686	85,650
MOTORCROSS	3	18,000	252,000	30,240	11,916	42,156	38,700	700	6,510	-	45,910	88,066	84,379
OTHER FAMILY	10	33,000	600,000	55,000	17,677	72,677	24,000	2,415	-	-	26,415	99,092	88,765
TOTAL FAMILY SHOWS	41	180,900	3,274,900	471,264	(117,970)	353,294	215,437	9,534	24,847	-	249,818	603,112	527,418
CONCERTS	19	161,500	6,460,000	456,000	81,016	537,016	339,150	14,459	135,660	-	489,269	1,026,285	834,171
OTHER MISC	16	63,350	-	122,000	38,746	160,746	71,500	22,137	7,000	1,207	101,844	262,590	318,206
GRAND TOTALS	163	887,750	10,793,900	1,884,814	(581,591)	1,303,223	1,110,632	90,518	190,537	37,621	1,429,308	2,732,531	2,469,062

FORECASTED BALANCE SHEET

[illegible]

TOTAL ESTIMATED CASH PAYMENTS TO ODA FOR FY2001 \$ 1,500,000

**Van Andel Arena
Allocation of Common Staff
Budget - Year Ending 6/30/01**

This page outlines the allocation of personnel who have responsibilities for the Grand Center and VanAndel Arena. In order to maintain two separate sets of accounting records, there needs to be an agreement on the sharing of some common expenses. These allocations have been reviewed as part of the budgeting process, and at this time no change is recommended.

Position	Grand Center Allocation	Arena Allocation
General Manager	33%	67%
Director of Marketing	50%	50%
Director of Operations	67%	33%
Director of Finance	50%	50%
Facility Maintenance Manager	50%	50%
Box Office Manager	30%	70%
Bookkeeper	50%	50%
Human Resources	50%	50%
GM Secretary	33%	67%
Marketing Admin. Asst.	67%	33%
Receptionist	50%	50%



City
of
Grand
Rapids

GRAND CENTER

Operating Budget For Fiscal Year 6/30/2001

- * Budget Overview
- * Budget Highlights
- * Income Statement
- * Indirect Expense Summary
- * Management Fee
- * Capital Budget
- * Event Detail
- * Staff Allocation



An SMG Managed Facility

**Grand Center - Grand Rapids
Budget Highlights
Year Ending 6/30/01**

HIGHLIGHTS

Event income for the fiscal year 2001 is expected to fall short of the fiscal year 2000 level. This is mainly due to the loss of two events that in the past have been on the yearly calendar, as well as, the exceptional fiscal performance of fiscal year 2000. With the loss of the Meijer Food Fair and the Gordon Food Service events the Grand Center will have to make up \$100,000 in event income. We anticipate filling these event days, however, revenue generated by these new events will more than likely fall well short of the revenue these two events generated.

Other operating income and indirect expenses will continue to perform consistent with past years. The overall performance of the Grand Center is expected to be very strong again with over \$86,000 in revenues above expenses for the fiscal year.

Grand Center - Grand Rapids
Budget Highlights
Year Ending 6/30/01

	2001 Budget	2000 Estimated/Act
Event Income	2,198,163	2,317,108
Other Income	89,000	85,458
Indirect Expenses	(2,200,378)	(2,205,496)
Operating Income	<u>86,785</u>	<u>197,070</u>
Events		
Arena		
Sports	0	0
Performance events	24	23
Arena Total	<u>24</u>	<u>23</u>
Theater		
Ballet	14	15
Opera	4	6
Broadway	56	62
Symphony	45	44
Concerts/Other	14	17
Theater Total	<u>133</u>	<u>144</u>
Other Facilities		
Exhibition Hall Events	95	90
Clubs, Dances & Parties	1	7
Corporate Banquets	24	26
Seminars/Speakers/Meetings	99	93
Public Shows	50	59
Civic/Graduations	1	0
Testing	2	4
Other Facilities Total	<u>272</u>	<u>279</u>
Total Events	<u>429</u>	<u>446</u>

GRAND CENTER - GRAND RAPIDS
INCOME STATEMENT
BUDGET FISCAL YEAR 2001

	FY 2001	FY 2000	
	<u>TOTAL</u>	<u>EST/ACT</u>	<u>VAR.</u>
EVENT OPERATING INCOME			
DIRECT EVENT INCOME	1,466,636	1,574,645	(108,009)
ANCILLARY INCOME			
FOOD & BEVERAGE	321,362	303,956	17,406
NOVELTY	22,730	22,023	707
ARTCRAFT	241,550	271,380	(29,830)
EQUIPMENT	145,885	145,104	781
TOTAL ANCILLARY INCOME	<u>731,527</u>	<u>742,463</u>	<u>(10,936)</u>
TOTAL EVENT INCOME	2,198,163	2,317,108	(118,945)
OTHER OPERATING INCOME			
INTEREST INCOME	32,000	31,591	409
TICKET INCENTIVES	31,000	30,339	661
EQUIPMENT RENTAL	20,000	18,155	1,845
OTHER INCOME	<u>6,000</u>	<u>5,373</u>	<u>627</u>
TOTAL OTHER INCOME	<u>89,000</u>	<u>85,458</u>	<u>3,542</u>
ADJUSTED GROSS INCOME	<u>2,287,163</u>	<u>2,402,566</u>	<u>(115,403)</u>
INDIRECT EXPENSES			
EXECUTIVE	52,745	52,610	135
MARKETING	118,529	110,775	7,754
FINANCE	132,653	136,478	(3,825)
OPERATIONS	810,822	817,538	(6,716)
BOX OFFICE	70,979	73,815	(2,836)
OVERHEAD	<u>1,014,655</u>	<u>1,014,280</u>	<u>375</u>
TOTAL INDIRECT EXPENSES	<u>2,200,378</u>	<u>2,205,496</u>	<u>(5,113)</u>
NET FACILITY INCOME (LOSS)	<u>86,785</u>	<u>197,070</u>	<u>(110,290)</u>

Grand Center
Indirect Expenses Summary
Year Ending 6/30/01

	<u>2001 Budget</u>
Salaries & Wages	701,308
Wages - Parttime	1,045,430
Automobile	12,250
Payroll Taxes	155,868
Union Expenses	65,313
Employee Benefits	76,565
Pension	21,957
Salaries Allocated	(1,301,960)
Total Labor Costs	<u><u>776,731</u></u>
Bank Service Charges	7,500
City Allocation	6,000
Advertising	10,000
Box Office Expense	250
Dues & Subscriptions	2,500
Entertainment/Meals	1,500
Equipment Rental	2,500
Facility Equipment	-
Insurance	175,000
Local Taxes	3,500
Management Fee - Base	174,005
Management Fee - Incentive	46,152
Meetings, Conferences, & Training	16,100
Postage	2,500
Printing & Stationary	6,000
Professional Fees	17,500
Purchased Services	103,700
Repairs & Maintenance	106,000
Supplies - Office	7,500
Supplies - Operations	148,000
Telephone	35,000
Travel	3,950
Computers	60,000
Parking	14,000
Utilities	474,000
Bad Debt Expense	500
Total Materials & Services	<u><u>1,423,657</u></u>
Total Indirect Expenses	<u><u>2,200,388</u></u>

**Grand Center - Grand Rapids
Management Fee Calculation
Year Ending 6/30/01**

Description of Calculation

The management fee is composed of two parts, the Base Fee and the Incentive Fee. The base fee is \$174,005 adjusted for an expected 2.5% increase in the CPI-U. The incentive fee is calculated at 20% of the first \$500,000 of revenues in excess of the benchmark and 25% of any revenue increase in excess of \$500,000. The benchmark is \$2,204,320 adjusted for an expected 2.5% increase in the CPI-U.

	<u>FY 2001 Budget</u>	<u>FY 2000 Act/Est</u>
Base Fee	174,005	169,761
Incentive Fee		
Revenue	2,287,163	2,402,715
Benchmark Revenue	<u>2,056,403</u>	<u>2,006,247</u>
Projected Revenue Increase	230,760	396,468
Incentive Percentage	<u>20%</u>	<u>20%</u>
Total Incentive Fee	<u>46,152</u>	<u>79,294</u>
Total SMG Management Fee	<u><u>220,157</u></u>	<u><u>249,055</u></u>

**Grand Center - Grand Rapids
Capital Projects
Year Ending 6/30/01**

Capital Improvements

Building

Balcony "Rail" Devos Hall	45,000
---------------------------	--------

Furniture/Furnishings

Re-Rig Design Devos Fire Curtain	18,000	
Replace Portable Stage Decks	<u>25,000</u>	43,000

Machinery/Equipment

Refurbish Steinway Grand Piano	15,000
--------------------------------	--------

Total Capital Request:

<u><u>103,000</u></u>

GRAND CENTER - GRAND RAPIDS
SCHEDULE OF EVENTS
YEAR ENDING 6/30/01

EXHIBIT HALLS	NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET SERVICE INCOME	FOOD AND BEVERAGE INCOME	CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	EQUIPMENT INCOME	EVENT INCOME FY 2001	EVENT INCOME FY 2000	VARIANCE
Agriculture & Farming	3	4,200	34,000	(1,255)	950	300	0	5,000	1,250	40,245	54,968	(14,723)
Animals	3	1,150	9,400	1,046	900	1,700	0	500	225	13,771	13,771	0
Associations	8	5,300	22,800	(2,800)	150	6,200	0	6,500	3,550	36,400	10,128	26,272
Banking									0	0	20,956	(20,956)
Beauty & Hair Care	3	3,100	13,550	(1,400)	25	4,857	0	3,400	1,900	22,332	23,899	(1,567)
Building & Construction	4	6,500	26,100	(1,825)	1,050	700	0	7,300	345	33,670	35,616	(1,946)
China & Glassware									0	0	0	0
Dental	1	200	4,788	(117)	0	600	0	500	725	6,496	31,212	(24,716)
Education	16	15,800	99,125	(8,508)	2,650	6,350	600	27,300	9,420	136,937	143,088	(6,151)
Engineering									0	0	0	0
Financial & Legal									0	0	7,329	(7,329)
Floriculture & Horticulture	3	3,000	32,000	(1,435)	900	50	0	5,200	1,450	38,165	75,766	(37,601)
Food & Beverage	2	800	3,900	(700)	250	0	0	2,500	750	6,700	6,700	0
Food Processing & Distribution	6	8,600	40,025	5,221	0	2,100	0	17,900	2,800	68,046	126,060	(58,014)
Funerary Industry	3	2,500	12,200	(144)	200	270	0	2,750	100	15,376	9,045	6,331
Government	2	800	3,050	(700)	0	2,400	0	4,000	700	9,450	23,856	(14,406)
Home Furnishings & Interior	2	1,000	8,900	(1,690)	750	12,000	0	5,000	250	25,210	0	25,210
Industrial									0	0	0	0
Library									0	0	0	0
Manufacturing									0	0	27,832	(27,832)
Medical & Health Care	2	2,600	11,500	(1,289)	250	2,300	-	1,550	750	15,061	0	15,061
Petroleum & Gas	3	3,000	34,500	(1,970)	-	2,550	-	12,000	1,000	48,080	43,733	4,347
Political	2	1,500	9,500	(700)	-	-	-	2,500	1,350	12,650	0	12,650
Real Estate	2	1,200	4,875	(700)	-	-	-	4,000	500	8,675	0	8,675
Recreational Vehicles									0	0	0	0
Religious	6	5,400	36,100	(2,785)	1,200	15,600	-	4,500	3,000	57,615	21,272	36,343
Transportation									0	0	0	0
Toys & Hobbies	4	5,200	13,650	(979)	600	-	-	-	1,270	14,541	2,582	11,959
Water	3	1,500	9,700	(1,050)	-	1,500	-	3,500	1,000	14,650	10,414	4,236
Woodworking	2	6,000	56,000	(5,090)	6,150	-	-	43,000	900	100,960	100,847	113
Local Business	2	6,800	30,000	6,852	-	7,000	-	16,000	800	60,652	66,146	(5,494)
Regional Business									0	0	0	0
Misc Tradeshow	13	2,000	5,150	(940)	400	-	-	-	1,800	6,410	28,402	(21,992)
TOTAL CONVENTIONS/TRADESHOWS	95	88,150	520,813	(22,558)	16,425	66,477	600	174,900	35,835	792,092	863,151	(71,059)
Home & Garden	4	24,000	37,000	1,967	7,000	-	-	7,000	2,350	55,317	62,696	(7,379)
Wedding Shows	3	4,180	7,200	(754)	250	-	-	1,000	2,300	9,996	7,525	2,471
Sporting Goods & Recreation	4	27,000	37,000	5,410	14,000	150	-	5,550	2,650	64,760	65,604	(844)
Computers & Applications									0	0	21,210	(21,210)
Electronics									0	0	9,930	(9,930)
Women	4	7,500	25,000	1,260	500	-	1,000	6,500	1,500	35,760	35,760	0
Food Processing & Distribution									0	0	41,060	(41,060)
Custom Auto Show									0	0	35,351	(35,351)
New Car Show	4	26,000	45,000	2,348	7,000	4,550	-	19,500	2,900	81,298	84,569	(3,271)
Craft Show/Sale	5	7,100	8,863	1,520	200	-	450	-	1,400	12,433	4,955	7,478
Business Expo									0	0	4,768	(4,768)
Boat Show	6	17,000	66,000	558	9,000	200	-	4,850	1,700	82,308	76,754	5,554
Animals	2	1,100	3,700	(793)	500	-	-	200	50	3,657	5,094	(1,437)
Toys & Hobbies	2	3,000	4,875	-	-	-	-	2,000	1,200	8,075	10,406	(2,331)
Misc. Public Shows	16	23,500	42,138	746	1,000	-	-	2,600	4,150	50,636	40,288	10,348
TOTAL PUBLIC SHOWS	50	140,380	276,776	12,262	39,450	4,900	1,450	48,200	20,200	404,240	470,210	(65,970)
Testing	2	200	4,188	(175)	-	-	-	-	-	4,012	4,951	(939)
Banquet	19	32,300	43,472	(13,091)	-	90,440	-	-	15,200	136,021	133,049	2,972
Dances	1	250	625	(350)	-	-	-	-	-	275	14,355	(14,080)
Graduations	1	1,200	2,100	(350)	-	-	-	-	500	2,250	0	2,250
Corporate	5	8,800	22,075	(4,467)	-	39,020	-	7,500	6,720	70,848	66,640	4,208
Seminars/Amway	19	17,950	48,425	(6,985)	7,250	6,550	-	3,650	12,150	71,040	68,276	2,764
Seminars & Meetings	80	31,860	67,500	(7,820)	650	21,380	-	2,650	10,450	94,810	79,314	15,496
TOTAL OTHER	127	92,560	188,385	(33,238)	7,900	157,390	-	13,800	45,020	379,256	366,585	12,671
TOTAL - EXHIBITION HALL	272	321,090	985,974	(43,934)	63,775	228,767	2,050	237,900	101,055	1,575,588	1,699,946	(124,358)

GRAND CENTER - GRAND RAPIDS
SCHEDULE OF EVENTS
YEAR ENDING 6/30/01

	NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET SERVICE INCOME	FOOD AND BEVERAGE INCOME	CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	EQUIPMENT INCOME	EVENT INCOME FY 2000	EVENT INCOME FY 1999	VARIANCE
DEVOS HALLWELSH ARENA												
GR BALLET	14	16,300	46,950	9,531	2,100	1,100	-	-	6,390	66,071	69,199	(3,128)
GR OPERA	4	7,200	20,900	2,840	650	-	-	-	3,850	28,240	41,813	(13,573)
BROADWAY THEATRE GUILD	56	84,000	111,650	48,601	8,050	840	3,500	-	5,600	178,241	167,824	10,417
GR SYMPHONY	45	68,000	152,000	8,964	4,050	-	6,750	-	15,750	187,514	162,460	25,054
MISC DEVOS EVENTS	14	25,800	35,900	10,510	3,250	400	3,800	-	6,550	60,510	60,492	18
MISC WELSH EVENTS	24	32,400	69,400	7,350	8,280	100	6,630	3,650	6,591	102,001	115,488	(13,487)
TOTAL - DEVOS HALLWELSH	157	233,700	436,800	87,796	26,380	2,440	20,680	3,650	44,831	622,577	617,276	5,301
TOTAL - ALL BUILDINGS	428	554,790	1,422,773	43,864	90,155	231,207	22,730	241,550	145,886	2,198,165	2,317,222	(119,057)

**Grand Center
Allocation of Common Staff
Budget - Year Ending 6/30/01**

This page outlines the allocation of personnel who have responsibilities for the Grand Center and VanAndel Arena. In order to maintain two separate sets of accounting records, there needs to be an agreement on the sharing of some common expenses. These allocations have been reviewed as part of the budgeting process, and at this time no change is recommended.

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Bookkeeper	50%	50%
Human Resources	50%	50%
GM Secretary	33%	67%
Marketing Admin. Asst.	67%	33%
Receptionist	50%	50%

BUDGETED BALANCE SHEET FY 2001

[illegible]

ITEM IX. C

GRAND CENTER EXPANSION AND RENOVATION

Source of Funds

Federal Funds	1,500,000
State Funds	65,000,000
County Funds	75,000,000
City/DDA Funds	15,000,000
Grand Action	30,000,000
Other *	13,500,000
Total Project Budget	\$200,000,000

***Presently working on requests and other Grants at Federal/State Level. At time of Bonding a firm Project Revenue will need to be established by Authority.**

The Construction Manager will provide in December 2000 a Design/Development Estimate that will establish more detail.

GRAND CENTER EXPANSION AND RENOVATION

Project Budget

Base Construction Contract*	\$144,744,000
Soft Costs**	16,109,000
Other Costs***	8,625,000
Owner Contingency	3,630,000
<hr/>	
Total Project Budget	\$173,108,000
TOTAL PROJECT BUDGET	<u>\$200,000,000</u>
(Escalated 5% compounded 36 months)*	

*Escalation to Mid-point of construction

Project Budgets will be refined as Estimates are received from Construction Manager upon completion of Schematic Design Estimate (5/00) and Design Development Estimate (12/00). The architects (Progressive AE) have provided detailed estimates with a number of categories which will be refined and presented to the Building Committee and Authority in coming months to establish a detailed Project Budget. Cash flow analysis will also be refined and presented to Building Committee and Authority.

* Construction Cost, CM Pre-Construction Services, CM general ins, CM Concession/Food Service Equipment Coord, Construction Contingency.

** AE Fees, Reimbursable AE expenses, Consultants Bldg, Soils/materials testing, Building Commissioning, legal, accounting, leasing, advertising, Project Manager, Ins Owners Builders Risk, Permits, Contingency.

*** FF&E, Food Service Equipment/food court concessions, Technology, Audio-Video, Communications, Data, Network, Signage, Contingency.

Grand Rapids Convention Center

Fact Sheet – (with Phase Timelines)

Location: The Grand Center is located on Monroe Avenue between Lyon and Michigan Streets in downtown Grand Rapids. Bordered on the west by the Grand River and on the south by the Welsh Auditorium, skywalks link the center south through downtown hotels and offices to the Van Andel Arena.

Site: Convention center site covers approximately 13 acres. Expansion occurs north of DeVos Hall, on the site of the current parking ramp, Hall of Justice and Police Headquarters.

- Realigned Monroe Avenue is designed as a more “pedestrian friendly” street leading to Monroe Mall and the entertainment district
- Riverfront is enhanced with a public promenade facing the Gerald R. Ford Museum. Lower riverwalk will continue under Gillett Bridge to Michigan Bridge
- Creation of a new River plaza at the Grand Gallery

Size: Approximately 1,000,000 square feet of total gross floor area:

- Renovation – 150,000 square feet
- New Additions – 850,000 square feet
- Building occupies – 10.5 acres, or size of 14 football fields
- Building Height – 80 feet
- Roof span at Main Exhibition Hall – 360 feet

Functions: Grand Gallery – a public lobby, skylit space linking the Grand River to Monroe Avenue and onto Calder Plaza. 60 feet wide, 450 feet long and 75 feet high – links all the major components of the Center.

Exhibit Hall – 165,000 square feet, column-free, dividable into (3) 150 x 360 foot halls, each the size of a football field. This yields 1000+ 10 x 10 foot exhibit booths.

- Ceiling heights range from 35 to 70 feet
- Floor load capacity equal 500 pounds per square foot, with power, water, and communications recessed into the floor
- 12 enclosed loading docks, accessed off Michigan Avenue
- Truck ramps provide drive-on access to the hall

Ballroom – 40,000 square foot sub-divisible space, adjacent to the Exhibit Hall (combined, the Ballroom and Exhibit Hall provide 200,000 square feet of Class A exhibition space)

- Banquet seating capacity of 4,000
- Welsh lobby the Ballroom’s grand entrance

Meeting Rooms – 35,000 square foot sub-divisible

Food Service Facilities – 25,000 square foot banquet kitchen and concessions within the exhibit hall

On-Site Parking –

- 700 estimated spaces of below grade parking, 7,000 spaces within 5 minute walk

DeVos Hall – 2446 seat Symphony and performance hall

- New, glass enclosed lobby
- Corridor's upgraded/renovated

Cost: **Estimated total direct project and related infrastructure cost of -\$200 million of which \$70-80 million is identified infrastructure costs.**

- Below grade parking
- Convention Center expansion with skywalk connection to Calder Plaza
- Renovation of Grand Center, relocation and renovation of Welsh lobby
- DeVos Hall lobby
- Monroe Avenue realignment, Lyon Square and riverwalk and promenade extension.
- Relocation of underground utilities, including the city's main storm trunk sewer
- Soft costs
- FFE (Furniture/fixtures/equipment)

Funding: Combination of private sector contributions, lodging excise tax (hotel/motel) revenues, local government contributors and state financing

Time Line: Initial recommendation call for phasing plan which keeps Grand Center functioning, respecting existing convention and trade show contracts. Hall of Justice and police headquarters must move into their new facilities before a new convention center can be erected, however, much work can begin before that.

Reasonable baseline schedule could be accelerated. In process of being revised by CM by Dec 2000.

Phase I (12 months) – Start 2000 – Finish October 2001

- Monroe Avenue realignment and utilities' relocation between Lyon and Michigan Streets

Phase II (14 months) – Start Spring 2001– Finish Jan 2002

- Construct DeVos Hall lobby addition – new façade, canopy and plaza
- Demolish Grand Center parking ramp
- Construct Grand Gallery, including 15,000 square feet of meeting rooms

Phase III (24 months) – Start Summer 2001 – Finish April 2003

- Hall of Justice and police headquarters relocation and demolition
- Construct exhibit hall and truck docks, north half of underground parking and river promenade
- Conventions move from existing Grand Center to new Exhibit Hall

Phase IV (8 months) – Start Jan 2003 – Finish March 2004

- Grand Center renovation – all floors
- Conversion of Grand Hall to convention support services

Phase V (16 months) – Start Fall 2003 – Finish December 2004

- Demolition of Grand Center/DeVos Hall back of house
- Construct new ballroom and relocate historic Welsh lobby and facade
- Complete riverfront promenade and Lyon Square

**AWARD OF CONTRACT
FOR
STREET LIGHTING/TELECOMMUNICATIONS DUCTS**

Bids on this project were received April 13, 2000. Plans are to have a recommendation ready to present at the Convention/Arena Authority meeting on April 18, 2000.



CITY OF GRAND RAPIDS

MEMORANDUM

DATE: April 13, 2000

TO: Chairperson
Grand Rapids – Kent County Convention/Arena Authority

FROM: Bill Cole, P.E.
City Engineer

SUBJECT: **Street Lighting and City Telecommunications in Ottawa Avenue from Monroe Center to Trowbridge Street (Ottawa Bypass) – Convention Center**

Background: Bids were received on April 13, 2000 by the City Engineer's Office on behalf of the Grand Rapids – Kent County Convention/Arena Authority (CAA) for the above-captioned project. This work is necessary to remove the existing street lighting and telecommunication network from Monroe Avenue in anticipation of the trunk sewer reconstruction and provide a bypass so that service is not interrupted. Upon completion of the sewer reconstruction work, certain street lighting/telecommunication facilities will be installed in Monroe Avenue. The Consultant's estimate is \$688,976 and DVT Electric, Inc. (DVT) submitted the low bid of \$624,608 with 5.8% MBE and 0% WBE participation. DVT submitted a request for waiver regarding M/WBE participation for this project. The City's Equal Opportunity Department has reviewed the request for waiver and approved the same. Because of the conflicts with existing utilities and the bridge sub-structure, the Consultant continues to coordinate the location of the ducts with the Michigan Department of Transportation and the Street Lighting Department for that section of the project under I-196. If any costs are incurred beyond those anticipated and included in the project budget, it would be necessary to authorize additional expenditures at a later date.

Recommendation: It is recommended that the CAA award the above-captioned construction contract to DVT in the amount of \$624,608 with a total estimated budget of \$768,400, which includes the cost of the construction contract and includes the cost of testing, project information program, force account work, administrative services and contingencies. It is further recommended that the Chairperson of the CAA be authorized to execute the contract documents, after approval of the same by the CAA's Special Legal Counsel. Also, as the project proceeds through construction, it is recommended that the City Engineer be authorized to negotiate any necessary change order(s) in connection with the scope of work, and execute the same upon approval of said change order(s) by the Grand Rapids City Manager and Kent County Administrator (or their designees), provided that such change orders will not result in exceeding the aforesaid total estimated budget. The City Engineer's Office will provide administrative services for this project and invoice the CAA accordingly for such costs.

BC/RDV/ts

Reviewed by E.O.D.

cc: Kurt Kimball
Daryl Delabbio
Pat Bush
Ellen James

Eric DeLong
Ed Krzeminski
Don Endres

SUMMARY OF ESTIMATED COSTS

for

Street Lighting and City Telecommunications in Ottawa Avenue from Monroe Center to Trowbridge Street (Ottawa Bypass) – Convention Center

Contract Amount	\$624,608
Testing/Public Information Program	2,500
Traffic Signals/Street Lighting Force Account	15,000
Administrative Services	<u>16,550</u>
Sub-Total	\$658,658
Contingencies	<u>109,742</u>
TOTAL	\$768,400

Bid's rec'd. 4/13/00 at 11:00 a.m. at the Office of the City Eng

T:/Bid Tab/ 00026.xls

[illegible]

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

DATE: April 13, 2000

TO: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority

FROM: Dick Wendt
Legal Counsel

SUBJECT: Assignment of contracts/agreements related to new convention center from the Grand Action Committee to CAA

Background: Various aspects of the planning and development of a new convention center have been undertaken prior to the establishment of the CAA through the Grand Action Committee. In connection therewith, Grand Action has entered into several professional services agreements which are now appropriate for assignment to the CAA. Since the form of assignment will vary with the agreement to be assigned, and since it is important so as not to delay the project that assignments be made promptly, it is necessary that the Chairperson of the Board work with legal counsel to accomplish assignment of these agreements.

Recommendation: Adoption of a motion authorizing the Chairperson of the Board and legal counsel to undertake all action necessary to have the following agreements (including both obligations and benefits) assigned by Grand Action to the CAA:

- Architectural Services Agreement with Progressive AE for architectural services through schematic design
- Engineering Services Agreement with Black & Veatch for design and engineering services related to utility relocation
- Three (#4288, #4301 and #4309) agreements with Material Testing Consultants, Inc., for environmental testing and boring
- Letter of Agreement with Erhardt-Hunt, a joint venture, for pre-construction management services
- Construction/Budget Advisor Agreement with Dale H. Sommers
- Technical consultant letter agreement with James P. Gray



CITY OF GRAND RAPIDS

DATE: April 13, 2000

TO: Chairperson
Grand Rapids – Kent County Convention/Arena Authority

FROM: Bill Cole, P.E.
City Engineer

SUBJECT: Reconstruction/Relocation of Monroe Avenue and Various Utilities from
Pearl Street to Fairbanks Street (Convention Center) – Street
Lighting/Electrical and Telecommunication Ducts and Cables

Background: On July 12, 1999, the Grand Action Committee (Grand Action) and Black & Veatch (B&V) entered into a professional services agreement for the above-captioned project and, at that time, Grand Action authorized B&V to proceed with Preliminary Design Engineering Phase services. The agreement provided the option for Grand Action to award subsequent services (Design Engineering Phase and/or Construction Engineering/Inspection Phase services) to B&V in connection with the above-captioned project as Grand Action deemed to be in its best interest.

On November 10, 1999, Grand Action authorized B&V to proceed with Design Engineering Phase services in connection with this project. As the project proceeded through the Design Engineering Phase services, it was determined that the schedule for the project would be enhanced by bidding the work for the construction of the street lighting/electrical and telecommunication ducts and cables prior to bidding the remaining street and utility work. Therefore, it is necessary to authorize the Construction Engineering/Inspection Phase services for this portion of work at this time. The Black & Veatch professional services agreement is proposed to be assigned to the Grand Rapids – Kent County Convention/Arena Authority (CAA).

Recommendation: It is recommended that B&V be authorized to proceed with Construction Engineering/Inspection Phase services in connection with the work for the street lighting/electrical and telecommunication ducts and cables at an estimated cost of \$58,000 with a total estimated budget of \$67,600, which includes the costs of B&V and its subconsultant's (i.e. Fishbeck, Thompson, Carr & Huber, Geotech, Inc., Materials Testing, etc.) services, testing, public information program, administrative services and contingencies. It is further recommended that the Chairperson of the CAA be authorized to execute the change order to the aforesaid agreement for said services, after approval of the same by the CAA's Special Legal Counsel. Also, as the project proceeds through construction, it is recommended that the City Engineer be authorized to negotiate any necessary change order(s) in connection with the scope of work, and execute the same upon approval of such change order(s) by the Grand Rapids City Manager and Kent County Administrator (or their designees), provided that any necessary change order(s) will not result in exceeding the aforesaid total estimated budget. The City Engineer's Office will provide administrative services for this phase of work and invoice the CAA accordingly for such costs.

BC/DHMS

cc: Kurt Kimball
Daryl Delabbio
Pat Bush
Ellen James

Eric DeLong
Ed Krzeminski
Don Endres

MEMORANDUM

SUMMARY OF ESTIMATED COSTS

for

Reconstruction/Relocation of Monroe Avenue and Various Utilities from Pearl Street to Fairbanks Street (Convention Center) – Street Lighting/Electrical and Telecommunication Ducts and Cables

Black & Veatch's Increase in Scope of Work	\$58,000
Materials Testing/Public Information Program	1,500
Administrative Services	<u>1,900</u>
Sub-Total	\$61,400
Contingencies	<u>6,200</u>
TOTAL	\$67,600



CITY OF GRAND RAPIDS

DATE: April 13, 2000

TO: Chairperson
Grand Rapids - Kent County Convention/Arena Authority

FROM: Bill Cole, P.E.
City Engineer

SUBJECT: **Reconstruction/Relocation of Monroe Avenue and Various Utilities from Pearl Street to Fairbanks Street (Convention Center) – Street Lighting/Electrical and Telecommunication Ducts and Cables**

Background: The initial work for the above-captioned project involves the relocation of street lighting/electrical and the telecommunication ducts and cables. The telecommunication facilities in this area are the City of Grand Rapids' (City) primary feed for various City buildings along Monroe Avenue and Ottawa Avenue. Geotech, Inc., a local professional engineering firm, has specialized knowledge of the City's telecommunication system and has previously provided various services related thereto for the City.

Recommendation: It is recommended that the Grand Rapids - Kent County Convention/Arena Authority (CAA) enter into a contract with Geotech, Inc. to perform the work related to the installation of the telecommunications cables in the duct system. The cost for this work is estimated at \$139,160 with a total estimated budget of \$159,100, which includes the cost of the work for Geotech, Inc. and its subcontractors and telecommunication materials/supplies, testing, public information program, administrative services and contingencies. It is further recommended that the Chairperson of the CAA be authorized to execute the aforesaid contract, after approval of the same by the CAA's Special Legal Counsel. Also, as the project proceeds through construction, it is recommended that the City Engineer be authorized to negotiate any necessary change order(s) in connection with the scope of work, and execute the same upon approval of said change order(s) by the Grand Rapids City Manager and Kent County Administrator (or their designees), provided that any necessary change order(s) will not result in exceeding the aforesaid total estimated budget. The City Engineer's Office will provide administrative services for this phase of work and invoice the CAA accordingly for such costs.

BC/DH/TS

Reviewed by E.O.D.

cc: Kurt Kimball
Daryl Delabbio
Pat Bush
Ellen James

Eric DeLong
Ed Krzeminski
Don Endres

MEMORANDUM

SUMMARY OF ESTIMATED COSTS

for

Reconstruction/Relocation of Monroe Avenue and Various Utilities from Pearl Street to Fairbanks Street (Convention Center) – Street Lighting/Electrical and Telecommunication Ducts and Cables

Geotech, Inc.'s Contract Amount	\$139,160
Testing/Public Information Program	1,500
Administrative Services	<u>4,000</u>
Sub-Total	\$144,660
Contingencies	<u>14,440</u>
TOTAL	\$159,100

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

DATE: April 13, 2000

TO: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority

FROM: Bill Cole, P.E.
City Engineer

SUBJECT: Minority and Women Business Enterprises (M/WBE) Policy and Administrative Guidelines for Construction Contracts

Background: The attached M/WBE Policy and Administrative Guidelines are applied by the City in connection with the award of construction contracts. Both City and County officials believe the Policy and Guidelines should apply to construction contracts related to the new convention center.

Recommendation: Adoption of a motion requiring that the M/WBE Policy and Administrative Guidelines of the City of Grand Rapids, as shall be amended from time to time by the City, apply to construction contracts related to the new convention center.

COMMISSION POLICY

and

**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISES
UNDER CITY CONTRACTS**

CITY OF GRAND RAPIDS

CITY OF GRAND RAPIDS

COMMISSION POLICY

SUBJECT

Minority and Women Business Enterprise Contracts.

PURPOSE

The City of Grand Rapids enacts this program:

1. to offset the continuing effects of past discrimination found to exist in the construction industry in Grand Rapids against minority and women business enterprises (M/WBEs); and
2. to control or eliminate present discrimination in the Grand Rapids construction industry by assisting local M/WBEs in achieving participation commensurate with their availability in all public construction contracts sponsored by the City of Grand Rapids.

POLICY

1. In each contract awarded by the City, it shall be the goal for majority contractors to reach not less than 11 % participation of Local Minority Business Enterprises and not less than 1 % participation for Local Women Business Enterprises in:
 - a. all construction contracts of an amount of \$10,000 or more, financed in whole or in part by the City of Grand Rapids; and
 - b. all construction contracts awarded or administered by the City, of an amount of \$10,000 or more, financed in whole or in part with federal/state funds unless otherwise regulated.
2. In all joint or cooperative contracts awarded by other communities in which the City's share for labor and/or materials is \$10,000 or more, the amount of M/WBE participation shall be based on the percentage of the labor and material work financed by the City of Grand Rapids unless a greater level of M/WBE participation is required or permitted by a funding agency or the community awarding the contract. The work done by M/WBEs may be done on any portion of the contract awarded by the governmental agency involved and is not limited to the work being financed by the City of Grand Rapids.

Further, if the project is let in more than one contract, the M/WBE can be designated to participate in one or more of the contracts if it is deemed practical or convenient.

3. Under paragraph 1 above, the City may award any such contract to the lowest responsive bidder who achieves the goals of not less than 11% local Minority Business Enterprise (MBE) and 1% local Women Business Enterprise (WBE) participation or to the lowest responsive bidder who has been granted a waiver. The City reserves the right to award a contract in the City's best interest, and therefore, the City may select a bidder other than the lowest. Further, the City reserves the right not to award a contract and to rebid in any situation where a contract is not awarded. It is the intent of the City that MBE and WBE goals be met separately. Any bidder failing to comply with the requirements of the M/WBE Policy and attendant Administrative Guidelines shall be deemed non-responsive.
4. When a Minority or Women Business Enterprise acts as a prime contractor and work must be subcontracted out, an MBE prime contractor must meet the 1% WBE goal, and a WBE prime contractor must meet the 11% MBE goal.
5. The City Manager, subject to the approval of the City Commission, shall promulgate Administrative Guidelines for this Policy, and said Guidelines may provide for a waiver or exceptions to the strict adherence of this Policy under unusual circumstances. The Guidelines shall also be used in the interpretation and application of this Policy. (Copies of the Administrative Guidelines for this Policy are available in the City's Equal Opportunity Department.)

Adopted this day, December 30, 1997, pursuant to the authority of proceeding number 64243.

ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISE
UNDER CITY CONTRACTS

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**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISE
UNDER CITY CONTRACTS**

SECTION I: FOREWORD

1.1 AUTHORITY, PURPOSE AND APPLICABILITY

These Guidelines are promulgated by the City Manager pursuant to authority granted to the City Manager under the policy on Minority and Women Business Enterprise Contracts, (hereafter, M/WBE Policy) adopted and expanded by the City Commission on April 28, 1992, which M/WBE Policy is expressly incorporated herein by reference and made a part hereof.

The controlling legal precedent which establishes guidelines for lawful race-conscious programs enacted by local governments is the U.S. Supreme Court decision in City of Richmond v. J.A. Croson, (*Croson*) 488 U.S. 469 (1989). In *Croson*, the Court established strict scrutiny as the standard of review for race-based programs. In applying this standard, the High Court employed a two-pronged analysis. First, the local government must demonstrate a compelling governmental interest for using race conscious criteria in awarding contracts and second, the local government must demonstrate that the race conscious program is narrowly tailored to address the effects of that identified discrimination. *Croson* and its progeny do not require jurisdictions to prove discrimination before they enact race and gender conscious programs. Rather, jurisdictions are required to have a strong basis in evidence which establishes a *prima facie* case of discrimination. A *prima facie* case of discrimination is one in which the local government presents evidence which establishes, on its face, all of the requisite claims of discrimination in the relevant geographic location. A disparity study is the vehicle by which a

jurisdiction can establish a strong basis in evidence of discrimination which meets *Croson's* strict scrutiny standard of review.

The disparity study conducted by the City of Grand Rapids' Construction Practices Review Committee (Committee) established a strong evidentiary basis that discrimination against Minority and Women Business Enterprises (M/WBEs) has been in the past, and continues to be, a problem in the Greater Grand Rapids area construction industry. Discrimination has resulted in the underutilization of M/WBEs on both public and private sector contracts, and without effective remedies, it will continue to impede the success of M/WBEs.

The Committee made the following findings which provide the legal basis for enactment of the City's M/WBE Policy:

- A. Past discrimination has current effects including limiting the establishment, development, continued success, and full and equitable participation of M/WBEs in the local construction industry. There is considerable evidence of both past and current discrimination against Hispanic and black contractors. Evidence of discrimination against women, Native American and Asian contractors is more recent and ongoing. There is insufficient evidence to conclude the extent to which other minority groups have experienced discrimination.
- B. The Interim Policy, with its "good-faith effort" requirement, has been completely ineffective in eliminating the present effects of past discrimination and in controlling or eliminating present discrimination. Evidence indicates that prior to the suspension of the former 10% goal MBE Program, participation levels for MBEs averaged 14% of City dollars. Once the Interim Policy became effective, M/WBE participation decreased to 6.02% in 1989 (6/89 - 12/89) and 0.80% in 1990. The Equal Opportunity Department

intervened on those projects where good-faith efforts were questionable. Prime contractors were asked to review that portion of their work to be subcontracted to determine whether additional M/WBE participation could be obtained. Intervention resulted in a 0.40% increase in participation in 1989 and 0.30% in 1990. After EOD intervention, total participation for 1989 was 6.42%, and 1990, 1.10%. Intervention with prime contractors to encourage increased utilization of M/WBEs produced minimal increases.

- C. The decline in the level of M/WBE participation in 1989 and 1990 was caused by:
- discrimination occurring after the suspension of the 10% MBE Program;
 - the ineffectiveness of the Interim Policy's less-restrictive good-faith efforts requirement in controlling or eliminating discrimination; and
 - the failure of non-minority contractors to meet M/WBE goals without a mandate compelling them to do so.
- D. The City implemented several race/gender-neutral remedies to increase the utilization of minority and women-owned businesses. These remedies included relaxing bidding and bonding requirements, bidding contracts in smaller, more manageable parts, providing training and technical assistance, and providing opportunities for M/WBEs to network with non-minority contractors and banking, bonding and insurance officials. Such measures were ineffective in eliminating the present effects of past discrimination and in controlling or eliminating present discrimination.
- E. Analyses of the survey, interview and public hearing results provide substantial anecdotal evidence of discriminatory patterns and practices, as well as particularized instances of discrimination.

- F. Analysis of availability and utilization data reveals that there is a substantial disparity between the availability of M/WBEs in the local construction industry and their utilization by both the public and private sectors.

The purpose of these Guidelines is to establish requirements which must be met by and M/WBEs contractors when qualifying for and bidding on:

- A. all construction contracts of an amount of \$10,000 or more, financed in whole or in part with City funds, and
- B. all construction contracts awarded or administered by the City of an amount of \$10,000 or more, financed in whole or in part with federal/state funds, unless otherwise regulated.

SECTION II: DEFINITIONS AND ELIGIBILITY CRITERIA

2.1 DEFINITIONS

As used in these Guidelines or in the M/WBE Policy, the following terms are defined as indicated:

- A. **Applicant**: One who submits an application, request, or plans to be approved as a Minority Business Enterprise (MBE) or a Women Business Enterprise (WBE).
- B. **Certification**: The process by which the Equal Opportunity Department reviews M/WBEs to determine whether they meet eligibility criteria as bona fide M/WBEs which enables them to bid or be utilized on City construction projects.
- C. **Compliance**: The condition existing when a contractor meets the requirements of the M/WBE Policy and these Guidelines.

D. Construction Contract:

1. A construction contract of an amount of \$10,000 or more financed in whole or in part by the City of Grand Rapids for the construction, alteration or renovation of public buildings or any other public works project.
2. A construction contract of an amount of \$10,000 or more, financed in whole or in part with federal/state funds.

E. Contractor: A generic term for a firm that does construction work under a contract or subcontract covered by the M/WBE policy and these guidelines.

F. Decertification: The process by which the Equal Opportunity Department determines that a contractor is no longer a bonafide M/WBE, and is therefore ineligible to participate in the City's M/WBE Program.

G. Eligible Minority or Women Business Enterprise: An M/WBE determined by the City to be eligible to participate in the City's M/WBE Program based upon the criteria established in Section II, 2.2 of these Guidelines.

H. Exception: A situation in which the M/WBE Policy shall not apply in whole or in part. Exceptions shall be limited to those situations in which there is an over-riding public policy reason for not applying the M/WBE Policy. A request for exception to the M/WBE Policy must be made in accordance with Section X, 10.3.

I. Local Minority or Women Business Enterprise: A M/WBE with its office or principal place of business in Kent or Ottawa County or an M/WBE that has previously done business in Kent County or has attempted to do business in Kent County prior to 1992 regardless of the location of its office or principal place of business.

- J. Minority: A person who is a citizen or lawful resident of the United States who is:
1. Black, a person having origin in any of the black racial groups of Africa.
 2. Hispanic, a person of Spanish or Portuguese culture with origins in Mexico or Central America or the Caribbean Islands.
 3. Asian American, a person having origins in any of the original people of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands.
 4. Native American, a person having origins in any of the original peoples of North America.
- K. Minority Business Enterprise (MBE): A business concern which is owned and controlled by one or more minorities as defined in "J" above. For purposes of this part, "owned and controlled" means a business:
1. which is at least fifty-one percent (51%) owned by one or more minorities or, in case of a publicly-owned business, at least fifty-one percent (51%) of the stock is controlled by one or more minorities; and,
 2. whose management and daily business operations are controlled by one or more such individuals (minorities).
- L. Non-Compliance: The condition existing when a contractor fails to meet the requirements of the M/WBE Policy or these Guidelines.
- M. Non-Responsive Bidder: A firm formally submitting a proposal for work contemplated, which proposal in the judgement of the City of Grand Rapids is incomplete and not in compliance with all bid requirements including M/WBE requirements.

- N. Prime Contractor: A firm that submits a bid for a construction project. Prime Contractors are responsible for an entire construction project but may subcontract to others portions of the project that require special skills or equipment.
- O. Request for Waiver: The process by which a contractor may request to be exempted from M/WBE goals on a particular project. Such a request requires submission of a request for waiver form together with documentary evidence of good faith efforts to meet the M/WBE goals and why the request should be granted (see Section VI, 6.1).
- P. Responsive Bidder: A firm formally submitting a proposal for work contemplated, which proposal in the judgement of the City of Grand Rapids is complete and in compliance with all bid requirements including M/WBE requirements.
- Q. Subcontractor: A firm engaged in a construction trade or specialized construction activities and performs work for a prime contractor under a subcontract. A subcontractor submits a quote to a prime contractor for the portion of work on a construction project that the subcontractor is willing to assume and perform.
- R. Waiver:
1. Partial or total exclusion of M/WBE goals on a specific project where it is determined by the City that there are no or insufficient M/WBEs to perform the work or it is in the best interest of the City to do so.
 2. A process whereby the City examines the validity of a contractor's request for waiver for evidence of good faith effort to achieve M/WBE goals. If such evidence is found, a waiver may be granted for all or part of the M/WBE goal on a specific project.

S. Women Business Enterprise (WBE): A business concern which is owned and controlled by one or more females. For purposes of this part, "owned and controlled" means a business:

1. which is at least fifty-one percent (51 %) owned by one or more women or, in case of a publicly-owned business, at least fifty-one percent (51 %) of the stock is controlled by one or more women; and,
2. whose management and daily business operations are controlled by one or more such individuals (women).

2.2 CRITERIA FOR DETERMINING ELIGIBLE MINORITY OR WOMEN BUSINESS ENTERPRISES

An eligible M/WBE shall be an independent business. The ownership, management and control by minorities or women should be real, substantial and continuing, and shall go beyond mere form. Recognition of the business as a separate entity for tax or corporate purposes may be considered as a factor but is not alone sufficient for recognition as an eligible M/WBE. The following criteria, along with other relevant criteria, indicating ownership and control of a business by minorities or women shall be employed in determining whether or not a business is an eligible M/WBE:

A. Ownership Factors:

1. A minority or women owner shall enjoy the customary incidents of ownership and should share the risks and rewards inherent in an ownership interest as demonstrated by an examination of the substance rather than the form of the business arrangements.
2. A minority or woman owner shall possess the power to direct the management and policies of the business and to make major business decisions on all matters of management, policy-making and operations.

3. If the owners of the firm who are not minorities or women are disproportionately responsible for the management, policy-making and operations of the firm, then the firm shall not be considered an eligible Minority or Women Business Enterprise.
4. If there are restrictions through by-law provisions, partnership agreements, charter requirements or any other means that prevent minority or women owners otherwise having a controlling interest in the business from exercising control of the business without the vote, cooperation or concurrence of male and/or non-minority owners, then the business shall not be considered a minority or women business enterprise.
5. A minority or woman must have made or be making a substantial contribution of capital or of expertise to acquire an ownership interest for that individual's interest to be considered real and substantial and for the business to be an eligible minority or women business enterprise.
6. The business shall be considered an eligible minority or women business enterprise only if the minority or woman owner retains control over the following:
 - a) establishment of company policies;
 - b) determination and selection of business opportunities;
 - c) general (but not necessarily on-site) supervision of projects;
 - d) control of major expenditures;
 - e) hiring and dismissal of key personnel;
 - f) marketing and bidding decisions;
 - g) the power to contract by signing major business contracts and documents.

B. Management Factors -- all of the following must exist for a business to be considered an eligible minority or woman business enterprise:

1. A minority or woman must hold the position of President, Chief Executive Officer or a similar title demonstrating that the real authority and power over the day-to-day management of the business is both in theory and in fact held by the minority or woman.
2. A minority or woman must establish and have full authority to modify or rescind business and operating policies.
3. A minority or woman must generally supervise projects.
4. A minority or woman must control major expenditures.
5. A minority or woman must make major marketing and bidding decisions.
6. A minority or woman must have the authority to bind the business by signing major contracts.

2.3 IDENTIFICATION AND LISTING OF CERTIFIED MINORITY AND WOMEN BUSINESS ENTERPRISE

The City of Grand Rapids Equal Opportunity Department shall identify bona fide M/WBEs and shall compile and maintain a list of eligible M/WBEs who are certified to bid on public construction projects. Only M/WBEs who have been certified by the Equal Opportunity Department shall be permitted to bid on public construction projects with the City as M/WBEs unless an exception has been made for the contract as provided for in these Guidelines.

The City's Equal Opportunity Department shall monitor existing M/WBEs for compliance with these Guidelines. A revised list of certified M/WBEs shall be issued on the first of every month.

2.4 REPORTING RESPONSIBILITIES FOR CHANGES TO MINORITY AND WOMEN BUSINESS ENTERPRISE STATUS

M/WBEs that have been certified pursuant to Paragraphs 2.2 and 2.3 above are required to inform the City immediately of any change in the location, ownership, management, officers, operation or control of the business and any other pertinent information affecting M/WBE status or eligibility. If the percentage of M/WBE ownership drops below 51%, the M/WBE must notify the City's Equal Opportunity Department immediately of such change.

2.5 CERTIFICATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES

Firms representing themselves as M/WBEs shall certify compliance status with the City's Policy by completing the form entitled "City of Grand Rapids Certification Application for Minority and Women Business Enterprise" and by compliance with Sections II, 2.2 and Sections IV and VIII of these Guidelines.

2.6 DECERTIFICATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES

The Equal Opportunity Department may decertify a contractor which it determines is no longer a bona fide M/WBE. Grounds for decertification include but are not limited to:

- A. The business has changed to the extent that it no longer satisfies the requirements of ownership, management and control as determined by eligibility requirements in Section II, 2.2 of these Guidelines.
- B. The M/WBE fails to submit within a reasonable time period information requested by the Equal Opportunity Department.

M/WBEs decertified for reasons other than by voluntary request may not apply for recertification for such time as may be specified by the Equal Opportunity Department not to exceed one (1) year. A business which is decertified may appeal such decertification pursuant to Section X, 10.1.

SECTION III: DOCUMENTATION OF CONTRACTOR EFFORTS TO OBTAIN M/WBE PARTICIPATION

3.1 PROPOSAL SUPPLEMENT FORM

At the time of submission of its proposal or bid, each contractor shall have attached the Proposal Supplement form to the proposal or bid, which identifies M/WBEs to be used on the project. The contractor must also indicate all the M/WBEs contacted, date and method of contact, dollar amount submitted by each M/WBE, whether each M/WBE contacted will actually be used, reason for not utilizing each M/WBE, and any other information requested by the Equal Opportunity Department. This information shall be considered in conjunction with other information to determine whether the contractor exerted "good faith" effort in attempting to utilize M/WBEs. Such information shall be subject to review and verification by the Equal Opportunity Department of the City of Grand Rapids. Any proposal or bid that is submitted without a Proposal Supplement is non-responsive and shall not be tabulated or considered for award of the contract.

3.2 AFFIDAVIT

Within one (1) business day of the bid opening, each contractor requested to do so by the City shall submit a sworn statement from each M/WBE to be used in the performance of the contract to supplement its proposal stating that the M/WBE did provide a written quote for the work to the prime contractor and the amount of the quote.

SECTION IV: M/WBE PRIME AND SUBCONTRACTING RESPONSIBILITIES

4.1 MINORITY AND WOMEN BUSINESS ENTERPRISES AS PRIME CONTRACTOR

When an M/WBE acts as a prime contractor and work must be sub-contracted out, an MBE prime contractor must meet the 1% WBE goal, and the WBE prime contractor must meet the 11% MBE goal.

4.2 MINORITY AND WOMEN BUSINESS ENTERPRISES AS SUBCONTRACTOR

A M/WBE acting as a subcontractor shall not permit a prime contractor to enter a quote on its behalf unless the M/WBE has actually provided a written quote on the project which includes all pertinent information. Neither shall a prime contractor submit an affidavit on behalf of an M/WBE unless such quote has been received in writing by the prime contractor. An M/WBE shall not be permitted to sub-contract or assign any of such work upon which it submits a quote without the prior express written permission of the City of Grand Rapids.

SECTION V: VALIDATION PROCESS

5.1 DETERMINATION OF "GOOD FAITH EFFORTS" TO UTILIZE MINORITY AND WOMEN BUSINESS ENTERPRISES ON CONSTRUCTION CONTRACTS

Good faith efforts are those efforts that--given all relevant circumstances--a contractor actively and aggressively seeking to obtain reasonable M/WBE participation would make.

Efforts that are merely "pro forma" are not good faith efforts. Efforts which are "sincerely motivated" are not good faith efforts if, given all relevant circumstances, they could not reasonably be expected to produce a reasonable level of M/WBE participation.

In determining whether a contractor has made good faith efforts, the City of Grand Rapids will look at the different kinds of effort the contractor has made, and at the quantity, quality and intensity

of these efforts. In evaluating a contractor's good faith efforts, the City shall, among other factors, consider whether the contractor:

- A. Submitted a completed Proposal Supplement form identifying the certified M/WBEs that the contractor contacted; the date and the method of the contact; the dollar amount of M/WBE quote submitted; whether M/WBEs will be actually used, and any reason for not utilizing the M/WBEs.
- B. Attended any pre-solicitation or pre-bid meetings that were scheduled by the City to inform majority bidders and M/WBEs of contracting and sub-contracting opportunities.
- C. Provided notice (preferably written) to a reasonable number of specific M/WBEs that their interest in the contract was being solicited in sufficient time to allow M/WBEs to participate effectively.
- D. Selected portions of the work to be performed by M/WBEs in order to increase the likelihood of meeting the M/WBE participation (including, where appropriate, breaking down contracts into economically feasible units to facilitate M/WBE participation).
- E. Provided interested M/WBEs with adequate information about the project.
- F. Conducted pre-bid discussions in good faith with interested M/WBEs, not rejecting M/WBEs as unqualified without sound reasons based on a thorough investigation of their capabilities.
- G. Provided any other information requested by the Equal Opportunity Department.

These examples of efforts to be considered by the City in determining if contractors utilized good faith efforts to gain M/WBE participation are not intended to be exhaustive, or exclusive.

All information shall be subject to review and verification by the Equal Opportunity Department of the City of Grand Rapids. Any contractor failing to submit a completed Proposal Supplement at the time bids are due shall be deemed to have not exerted a "good faith effort" to utilize M/WBEs for his/her proposal, and the bid shall be deemed non-responsive. EOD, in determining "good faith effort," will consider only those efforts made prior to submission of the bid. Any efforts to secure M/WBE participation made after submitting the bid will not be considered.

Each contract will be evaluated individually, and all relevant factors will be taken into consideration.

EXCEPTION: A firm doing work itself with its own work force and requesting a waiver is not required to submit a completed proposal supplement.

SECTION VI: WAIVERS AND SUSPENSIONS

6.1 REQUEST FOR WAIVER OF MINORITY AND WOMEN BUSINESS ENTERPRISE GOALS

Contractors not attaining the 11 % MBE and 1 % WBE goals must comply with the requirements of this section. Any bid that does not meet the stated M/WBE goals must contain a request for waiver or be considered non-responsive.

Waivers may be granted if the contractor is performing work with its own forces (i.e., not subcontracting any portion of the work) or to those contractors who demonstrate good faith efforts but find that:

- A. M/WBEs qualified to perform the work are unavailable; or
- B. Prices quoted by M/WBEs are non-competitive.

The contractor shall submit with the bid a completed request for waiver of all or part of the M/WBE goal on the project, together with all documentary evidence in support of the request. The Equal Opportunity Director of the City of Grand Rapids shall make the initial determination as to whether or not a waiver will be granted. The contract shall not be awarded until the request for waiver has been ruled upon. The granting of a waiver does not, in and of itself, assure the award of a contract to the contractor requesting a waiver. Any administrative decision relative to either granting or denying a waiver of the M/WBE goals may be appealed pursuant to Section X, 10.1 and 10.2.

6.2 WAIVER OF M/WBE GOALS

The Equal Opportunity Department shall have the discretion to determine whether M/WBE goals should be waived on a specific project prior to soliciting bids where there are no certified M/WBEs to perform work, or where it is in the best interest of the City to do so.

6.3 SUSPENSION OF M/WBE GOALS

The City Commission may suspend the M/WBE Policy for any area of City contracting that has exceeded M/WBE goals for an extended period of time as determined by the City Commission. Any decision to suspend M/WBE goals shall be made pursuant to Section XV of this policy.

SECTION VII: PROJECTS SUPPORTED WITH FEDERAL FUNDS

If federal/state financial assistance is used to support all or part of a construction contract, and if federal M/WBE goals apply to the project, the federal goals shall supersede the goals set forth in these Guidelines.

SECTION VIII: FIELD EXAMINATIONS

The Equal Opportunity Department shall conduct periodic on-site examinations of project sites, offices and records of M/WBEs and any other contractors subject to the M/WBE Policy and these Guidelines. Records relating to the business may be examined at the discretion of the City Manager or the City Manager's representative. Failure to provide access to any worksite, office, records or other items reasonably related to the enforcement of the M/WBE Policy or these Guidelines shall subject the contractor denying access to appropriate sanctions to be determined by the City.

SECTION IX: CONTRACT SANCTIONS

Any contractor who violates these Guidelines shall not be permitted to bid or subcontract on City projects for such a period of time, not to exceed one (1) year, as the City Manager or the City Manager's representative shall determine. The Equal Opportunity Department shall notify any such contractor in writing, via certified mail, of the removal and the reasons therefore.

Any contractor under City contract who violates these Guidelines, fails to perform or is determined to be inadequate in performance shall be subject to suspension by the City of contract payments, suspension of contract activities and/or termination of the contract.

SECTION X: APPEALS AND EXCEPTIONS

10.1 APPEAL OF ADMINISTRATIVE DECISIONS

Administrative decisions made by the City relating to certification, good faith efforts, waivers, or contract sanctions may be appealed to the Community Relations Commission. Any person wishing

to file such an appeal must do so within five (5) working days of the notice of the administrative decision from which an appeal is taken.

The request for an appeal must be in writing and addressed to the Equal Opportunity Director and must make reference to the specific action or actions at which the appeal is directed. Within ten (10) calendar days of the request for appeal, the Community Relations Commission shall hold a hearing at which interested parties may present evidence and arguments in support of their respective positions. Failure of a party to appear at the hearing shall be deemed to be final acceptance of the administrative decision. Within five (5) working days of the hearing, the Community Relations Commission shall issue its written decision. The Community Relations Commission may affirm, modify or reverse all or any part of the administrative decision.

10.2 APPEAL OF COMMUNITY RELATIONS COMMISSION DECISIONS

The decisions of the Community Relations Commission may be appealed to the City Commission. Request for such appeals shall be filed with the City Manager within five (5) calendar days of the notice of the decision in question. The request for appeal must make specific reference to the decision of the Community Relations Commission being appealed. Following receipt of the request for an appeal, the City manager shall schedule the matter for hearing by the Committee on Appeals of the City Commission. The party requesting the appeal shall be notified in writing of the time, date and place when the appeal will be heard. Failure on the part of a party to appear at the hearing shall be deemed by the City as final acceptance of the Community Relations Commission's decision.

The matter shall be heard under a procedure established by the City Commission. The appealing party shall be notified of the procedure to be followed. The procedure shall comport with basic due process. The City Commission shall, within ten (10) calendar days of the hearing, render

a decision by a majority vote of those hearing the appeal and also present at the regular public meeting at which the vote is taken. The City Commission may affirm, modify or reverse, in whole or in part, the decision of the Community Relations Commission. The decision of the City Commission shall be final.

10.3 EXCEPTION TO THE MINORITY AND WOMEN BUSINESS ENTERPRISE REQUIREMENTS

Whenever the City manager determines, based on various circumstances related to the award of any City construction contract, that there is a need to request an exception to the M/WBE Policy, the City manager shall make such request for an exception to the Community Relations Commission.

The Community Relations Commission shall have the authority to grant or deny a request for an exception to the M/WBE Policy, and its decision shall be based upon relevant factors as presented by the City Manager or the Manager's designee, and a determination of what result would best serve the public interest.

The request for an exception to the policy must be addressed to the Equal Opportunity Director, and must include all relevant information which serves as the basis for the request for an exception to the policy. Within ten (10) days of the request for exception, the Community Relations Commission shall hold a hearing at which the City Manager or the Manager's designee may present oral and written evidence or arguments in support of the request. Within five (5) working days of the hearing, the Community Relations Commission shall render its written decision to the City Manager. Any decision by the Community Relations Commission which denies a request for exception may be appealed to the City Commission pursuant to Section X, 10.2.

SECTION XI: BIDS HELD IN ABEYANCE

In those cases where City staff determines that a contract should not be recommended for award to a bidder due to the lack of compliance with the M/WBE Policy or these Guidelines and a bidder files an appeal as provided for in these Guidelines, the contract award shall be held in abeyance until the bidder has exhausted the appeals procedure set forth in Section X, 10.1 and 10.2 of these Guidelines.

SECTION XII: SUPPORTING SERVICE

In an effort to provide assistance to Minority and Women Business Enterprises, the City's Equal Opportunity Department will notify all certified M/WBEs of all public construction projects in excess of ten thousand dollars (\$10,000) and shall make available for review copies of the bid specifications for these projects.

SECTION XIII: RACE NEUTRAL PRACTICES

The City of Grand Rapids continues to recognize that race-neutral practices such as bonding assistance, insurance, training, technical assistance and financing are instrumental in helping M/WBEs overcome the effects of past and present discrimination found to exist in the Grand Rapids construction industry. Discrimination has affected the capacity and ability of M/WBEs to compete with non-M/WBE companies who have greater access to resources. The City further recognizes that many businesses limited in size and capital suffer similar difficulties in competing for contract dollars in the local construction market. Hence, the Equal Opportunity Department shall continue to develop programs, services and training opportunities to assist the aforementioned companies in obtaining

information and resources on the availability of bonding, insurance and financial services and construction management. The Equal Opportunity Department will also continue to provide technical assistance and facilitate opportunities for growth to prime contract status.

SECTION XIV: SUBCONTRACTOR PAYMENT CERTIFICATION

Upon completion of the contract, the prime contractor shall provide to the City closeout documentation certifying total dollars paid to all subcontractors on the project.

SECTION XV: SUNSET PROVISION

This policy shall be reviewed within a period not to exceed five (5) years to determine the extent to which the purpose and objectives identified have been achieved. This policy or any portion thereof may be extended for additional periods of time provided the City Commission determines that there is a continuing need for the program because its purpose and objectives have not yet been achieved.

SECTION XVI: SEVERABILITY

If any provisions of this article or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provisions or applications, and are to this end declared to be severable.

All questions regarding these Guidelines should be referred to the Equal Opportunity Department, City of Grand Rapids, 300 Monroe, N.W., Grand Rapids, MI 49503, (616) 456-3027.

Adopted this day, December 30, 1997, pursuant to the authority of proceeding number 64243.