



## Meeting of Board of Directors

Wednesday, August 27, 2003

7:30 a.m. – 9:30 a.m.

County Administration Building Board Room, 3<sup>rd</sup> Floor  
Grand Rapids, Michigan 49503

### A G E N D A

**I. Call to Order**

Convention

**II. Approval of June 25, 2003 Minutes**

Action

Arena

**III. DeVos Place Construction Update – Erhardt/Hunt**

Information

Authority

**IV. Committee Reports**

John Logie,

Chairman

Lew Chamberlin

Clif Charles

David Frey

Steven Heacock

Birgit Klohs

Joseph Tomaselli

**a. Building Committee**

- i. Resolution Approving Completion of the DeVos Performance Hall Interior Renovation Project and Approving and Authorizing Entering Into Certain Agreements Related Thereto

Action

**b. Operations Committee**

- i. Revisions to M/WBE Policy  
ii. CVB Update

Action

Information

**c. Finance Committee**

- i. Approval of Disbursements  
ii. Approval of SMG Financial Reports  
iii. Approval of CAA Financial Report  
iv. General Liability Insurance Renewal

Action

Action

Action

Action

**V. Resolution Approving and Authorizing the Execution of a First Amendment to Sublease Agreement with Kent County in Connection with the Issuance by the City-County Building Authority of Additional Bonds to Finance a Portion of the Cost of Improvement, Expansion and Renovation of DeVos Place**

Action



Van Andel Arena  
130 Fulton West  
Grand Rapids, MI 49503  
616.742.6600  
Fax 616.742.6197



Grand Center  
245 Monroe Ave. NW  
Grand Rapids, MI 49503  
616.742.6600  
Fax 616.742.6590



**VI. SMG Report**  
- Facilities Calendar

Information

**VII. Other Business**

**VIII. Public Comment**

**IX. Adjournment**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS MEETING  
Wednesday, June 25, 2003**

**Item II**

**I. Call to Order**

Chairman John Logie called the meeting to order at 7:35 a.m. Chairman Logie presided and Secretary/Treasurer Birgit Klohs recorded.

**Attendance**

Members Present:      John Logie, Chairman  
                                 Lew Chamberlin  
                                 Clif Charles  
                                 David Frey  
                                 Steve Heacock  
                                 Birgit Klohs  
                                 Joseph Tomaselli

Members Absent:      None

Staff/Others:	Matt Barnes	Erhardt/Hunt Joint Venture
	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Daryl Delabbio	Kent County
	Larry Erhardt	Erhardt/Hunt Joint Venture
	George Helmstead	CVB
	Kurt Kimball	City of Grand Rapids
	Chris Knappe	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Steve Miller	SMG
	Dale Sommers	CAA Owner Representative
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	Kent County

**II. Minutes of Prior Meetings**

*Motion: Mr. Frey, supported by Mr. Chamberlin, moved to approve the Minutes of the May 28, 2003, meetings of the Authority. Motion carried unanimously.*

**III. DeVos Place Construction Update**

Mr. Barnes expressed his deep sorrow over the fatal accident at the construction site. Last week, a 20x20-foot section of concrete collapsed on Adam Petruska who was working in the Welsh Auditorium. More than 100 fire and rescue squads worked admirably in a massive effort to save Adam. The construction team appreciates the care and compassion that was extended to them and to Adam's family. Mr. Barnes extended his appreciation to Jim Gray, Robin Sewall, and Dale Sommers for addressing the media and comforting the family. Mr. Barnes met with MIOSHA officials who now are in the process of an investigation. MIOSHA has reviewed the construction manager's work plan and safety plan and has cleared the team to continue working. Mr. Barnes read a letter of condolence from Advance

Equipment. Mayor Logie acknowledged the efforts of the rescue crews. On behalf of the Board, Mayor Logie expressed the CAA's heartfelt sympathy to Adam's family and the construction team.

Mr. Barnes reported that the construction team is set to detonate the roof of the Welsh Auditorium on July 13. The event is not considered a true implosion since the exterior walls would remain standing. Mr. Sewall reported that carpet and finished products for the Grand Hall have arrived and will be installed shortly. The painting subcontractor continues to paint miscellaneous offices, corridors, stairwells, communication closets, and bulkheads on all levels. The intricate layout of the terrazzo system is complete and 80% of the terrazzo mix has been placed. In the Exhibit Hall, the concrete subcontractor has completed the floor slab and truck dock area slab on grade. The mechanical subcontractor has set cooling towers, chillers, and is setting air handling units. The enclosure of the exhibit box is complete on the east and west sides. Site work has begun along Michigan Street in front of DeVos Performance Hall, along with installation of the snow melt system in front of the Hall. The East Hall and Grand Hall will be accessible until the new Exhibit Hall opens in late November. Mr. Sommers added that the Grand Center box office is closed because of the difficulty in providing safe access. Patrons are directed to purchase tickets through the Van Andel Arena® box office or TicketMaster outlets.

#### IV. Committee Reports

##### Building Committee

Mr. Frey stated that the Building Committee did not meet due to the construction accident.

##### Operations Committee

Mr. Chamberlin stated the Operations Committee did not meet in June. The Committee will meet on July 16<sup>th</sup> to discuss MDOT's plans to refurbish bridges on I-196 east of US-131.

Mr. Helmstead reported that the CVB has confirmed 67 groups for DeVos Place, with 87 "tentatives" on the books. The CVB sales team is working with Progressive AE and Steelcase to coordinate a training program for meeting planners in Washington, D.C. The CVB is distributing its new "800,000" brochure to local organizations. The CVB is working on a five-year contract with the Michigan Floral Association to hold its tradeshow in conjunction with the Garden Show.

##### Finance Committee

Mr. Heacock presented the Finance Committee report.

- a. Approval of Disbursements and Payroll for the Period May 16 – June 13, 2003

*Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve payment of disbursements and payroll totaling \$4, 264,725.08. Motion carried unanimously.*

- b. Approval of SMG Financial Statements for the Grand Center and Van Andel Arena®

*Motion: Mr. Heacock, supported by Mr. Frey, moved to approve the SMG Financial Statements for the Van Andel Arena® and Grand Center for the period ended May 31, 2003. Motion carried unanimously.*

- c. Approval of CAA Preliminary Financial Statements Prepared by Beene Garter LLP

*Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve the Grand Rapids – Kent County Convention/Arena Authority Financial Statements for the period ended May 31, 2003. Motion carried unanimously.*

d. Amendment to Fiscal Year 2004 Capital Budget

Mr. Heacock recommended approval of an amendment to include \$25,000 in the fiscal year 2004 capital budget. This amount was approved in the fiscal year 2003 budget to refurbish banquet rooms at the Van Andel Arena®. Due to the calendar of events, completion of the project during the fiscal year was not possible. The project is scheduled to be completed in July when use of the rooms is expected to decrease. However, the timing of the project falls outside of the fiscal year in which it was approved.

*Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve the amendment to the fiscal year 2004 capital budget to include a \$25,000 line item for banquet room refurbishment. Motion carried unanimously.*

V. Amendment No. 6 to Construction Manager Agreement

Mr. Sommers recommended approval of Amendment No. 6 to Construction Manager Agreement regarding billable rates. The new rates fall within the contracted range of 3%-5% and contain cost of living and wage increases.

*Motion: Mr. Frey, supported by Mr. Tomaselli, moved to approve Amendment No. 6 to Construction Manager Agreement. Motion carried unanimously.*

VI. SMG Report

Facilities Calendar

Mr. MacKeigan reported that the Mormon Tabernacle Choir will be performing at the Van Andel Arena® tonight and encouraged everyone to attend this once-in-a-lifetime event. Mayor Logie acknowledged Chuck Stoddard for his assistance in bringing the Choir to Grand Rapids. Mayor Logie added that the 360-voice choir is comprised of all volunteers who commit to a nine-month process of auditions and classes before they are permitted to join the choir. 25 members of the Temple Square Orchestra accompany the choir. To create its familiar sound, the choir tours with its own three-manual electronic organ that features sounds sampled from the choir's home organ. Over 560 people in the entourage have flown in from Salt Lake City, with the rest of the tour traveling in 10 buses. Four luggage trucks, a semi with instruments, and a van for audio-visual equipment are part of the fleet, which travels with its own medical staff beyond the 10 physicians and dentists who are choir members. Net proceeds from the concert will be contributed to the Lake Michigan Academy and the Chamber Choir of Grand Rapids.

Mr. MacKeigan stated that upcoming events at the Arena include Cher, John Mayer/Counting Crows, and Ringo Starr concerts, WWE wrestling that will be televised, Detroit Red Wings, and the circus. Mr. MacKeigan has a verbal commitment for a ZZ Top concert.

VII. Resolution Approving and Authorizing Execution of First Amendment to Lease Agreement with DP Fox Football Holdings, L.L.C.

Mr. Wendt recommended approval of the First Amendment to Lease Agreement with DP Fox Football Holdings, L.L.C. The original lease negotiated in 1998 provided that the Rampage football season occur between May and August when the Van Andel Arena® is not so active. The rent was established on the premise that the Rampage season would be during a "slow" time of the year for the Arena. This past year the Rampage changed its playing season to February-April/May when it entered into a contract with NBC for televised games. The scheduling of games earlier in the calendar year changes the terms of the lease. In addition, this time frame is the most active for the Arena and the CAA believes it should be compensated adequately for the Rampage's use of premium dates. In February, Mr. Frey, Mr.

MacKeigan, and Mr. Wendt began negotiations with DP Fox for a new lease. Mr. Wendt summarized key provisions of the First Amendment:

- Arena will receive 20% of DP Fox concession revenue per cap per game for turnstile attendance above 8,000 (Arena currently receives nothing)
- Arena will receive 20% of DP Fox catering revenue (suites) per game when turnstile attendance exceeds 8,000 (Arena currently receives nothing)
- DP Fox to share 50/50 with Arena league mandated venue upgrades and to pay 100% of TV contract mandated upgrades (Arena currently responsible for 100% of league mandated upgrades)
- For remaining term of agreement, Arena will receive an additional \$10,000 per game for each Friday, Saturday, and Sunday game during February and March where turnstile attendance is greater than 8,000

*Motion: Mr. Tomaselli, supported by Ms. Klohs, moved to approve the Resolution Approving and Authorizing Execution of First Amendment to Lease Agreement with DP Fox Football Holdings, L.L.C.*  
*Abstain: Logie. Motion carried.*

VIII. Other Business

The July 23, 2003, CAA Board meeting has been canceled.

IX. Public Comments

None.

X. Adjournment

There being no other business, the meeting adjourned at 8:20 a.m.

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Birgit M. Klohs, Recording Secretary

**BUILDING COMMITTEE REPORT**  
**To**  
**Grand Rapids-Kent County Convention/Arena Authority**

**August 27, 2003**

**GRAND GALLERY**

Bay Area Interiors, our subcontractor continues to grind the epoxy terrazzo system. They have placed the terrazzo mix. Grinding is well underway and final polishing is beginning. Painting is complete along with the installation of the snake light. The exterior sections of the canopies have received paint and lighting. Painting of the high architectural feature wall is complete.

In the Meeting Rooms, drywall finishing, painting and ceiling grid installations are complete. The acoustic wall panel installation is complete on the Meeting Level, and in process on the street level. Carpet is in process on the meeting level along with wood doors.

Ceramic tile installations are complete in the Meeting Level, Street Level and Parking Level Restrooms. Toilet partitions and fixtures are installed as well. Ceramic tile work is now progressing in the concessions and public restroom areas on the first floor adjacent to the Exhibit Hall.

The Grand Gallery drywall hanging is complete. Andy J. Egan Mechanical Co. and ElecTech are complete with the HVAC systems that serve most of the Grand Gallery. Final testing and system balancing is in process.

Preparation work is underway for the addition of an additional escalator between the Skyway Level and the Meeting Level. This item was added during the course of the work when it was determined that the budget could absorb the cost of the work.

Overall the Grand Gallery and Meeting spaces remain on track for completion as scheduled.

**EXHIBIT HALL**

Andy J. Egan Mechanical has set cooling towers, chillers and air handling units that serve the Exhibit Hall. Piping of these units is complete and is being tested and filled. Target Sheet Metal, Inc. has installed the high ductwork in the Exhibit Hall along with the lighting and fire protection subcontractors. The equipment in the Box Truss Mechanical Rooms is being prepared to be tested next month.

The enclosure of the Exhibit Box is complete. Soffit trim will continue on the East and West. Roofing, brick and overhead doors at the dock are complete.

### SITE WORK

Work has progressed well along Michigan Street and in front of DeVos Hall. These areas, along with the Monroe drop off lane are to be completed the fall of 2003. Planter Wall construction along the West side of the Exhibit Hall began in April and continues. The snowmelt slab has been placed in front of DeVos Hall, and finished pavers are installed.

### PHASE 3

The Welsh Auditorium has been demolished via implosion on 07/19/03. Sorting and hauling off of the rubble and debris has been progressing well and will continue into mid August.

The Scene Shop area of the Grand Center renovation is underway. Selective demo is complete. Void filling below the existing floor was performed again in this area prior to walls being erected. The new room layouts were complete and drywall hanging is in process. The area is to be completed in early September.

**WILLIAM D. SEWALL**  
Construction Manager



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

**RESOLUTION APPROVING COMPLETION OF THE DEVOS  
PERFORMANCE HALL INTERIOR RENOVATION PROJECT AND  
APPROVING AND AUTHORIZING ENTERING INTO CERTAIN  
AGREEMENTS RELATED THERETO**

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

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") has undertaken the construction, renovation, improvement, enlarging and equipping of the DeVos Place convention center, including DeVos Performance Hall (collectively the "New Convention Center") which it owns and operates; and

**WHEREAS**, the cost of the New Convention Center is currently estimated at \$211,254,709, which cost has been fully provided for from public and private sources including a Grand Action Committee ("Grand Action") cash and in-kind contribution of \$33,000,000 (the "Grand Action Contribution"); and

**WHEREAS**, although not originally included as a part of the New Convention Center project, Grand Action has proposed that the renovation of the interior of DeVos Performance Hall (the "DeVos Hall Interior Project") be included as a part of the New Convention Center project; and

**WHEREAS**, the estimated cost of the DeVos Hall Interior Project is \$4,400,000 (the "Project Cost"); and

**WHEREAS**, Grand Action has agreed to contribute to the CAA, in addition to the Grand Action Contribution, the total amount of the Project Cost, i.e., \$4,400,000 (the "Additional Grand Action Contribution"); and

**WHEREAS**, the CAA has agreed to undertake the DeVos Hall Interior Project as a part of the New Convention Center project and to enter into certain agreements related thereto.

**RESOLVED:**

1. That the CAA proceed with the DeVos Hall Interior Project as generally described in a letter dated January 17, 2003, from Richard L. VanGelder, AIA, of Progressive AE ("Progressive") to Jon R. Nunn, Executive Director, of Grand Action, attached hereto as Attachment I in accordance with a budget set forth in Attachment II attached hereto.

2. That the Chairman of the CAA is authorized and directed to execute a Memorandum of Understanding Related To DeVos Performance Hall Interior Renovation for and on behalf of the CAA pursuant to which Grand Action agrees to make the Additional Grand

Action Contribution in substantially the form presented at this meeting with such modifications as are not materially adverse to the CAA approved as to content by the Chairman of the CAA and as to form by the CAA's legal counsel.

3. That the Chairman of the CAA is authorized and directed to execute an agreement for and on behalf of the CAA with Progressive for architectural services related to the DeVos Hall Interior Project consistent with the Budget, or an assignment of such agreement with Grand Action, approved as to content by the Chairman of the CAA and as to form by the CAA's legal counsel.

4. That the Chairman of the CAA is authorized and directed to execute an amendment to the Standard Form of Agreement Between Owner and Construction Manager for and on behalf of the CAA with Erhardt/Hunt, a joint venture, dated February, 2001, for construction of the DeVos Hall Interior Project consistent with the Budget approved as to content by the Chairman of the CAA and as to form by the CAA's legal counsel.

5. That the Chairman of the CAA is authorized and directed to execute an agreement for and on behalf of the CAA with (a) a supplier of a multi media sound system and (b) a contractor to refurbish seats both consistent with the Budget as recommended by the CAA's Building Committee and approved as to content by the Chairman of the CAA and as to form by the CAA's legal counsel.

6. That the Chairman of the CAA is authorized and directed to execute any additional agreements related to the DeVos Hall Interior Project consistent with the Budget as recommended by the CAA's Building Committee and approved as to content by the Chairman of the CAA and as to form by the CAA's legal counsel.

7. 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 \_\_\_\_\_

Dated: August 27, 2003

\_\_\_\_\_  
Susan M. Waddell  
Administrative Manager/Recording Secretary

## **CERTIFICATION**

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held August 27, 2003, 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: August 27, 2003

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Susan M. Waddell  
Administrative Manager/Recording Secretary

ATTACHMENT I

January 17, 2003

**ProgressiveAE**

Mr. Jon Nunn, Executive Director  
Grand Action  
The Waters Building  
120 Lyon NW  
Grand Rapids, Michigan 49503

Re: DeVos Performance Hall A/E Services

Jon:

The Progressive AE design team is delighted with the opportunity to submit this proposal for services to complete the transformation of the DeVos Place project with the final element, the interior renovation of DeVos Performance Hall. The purpose of this letter is to convey our understanding of the project, to propose our design services, and to request compensation required.

This letter is provided in anticipation of preparing an AIA document B141 Owner-Architect Agreement. The primary understanding shaping this letter proposal is that the DeVos Hall Interior Renovation will be constructed by Erhardt/Hunt, a Joint Venture, currently the CM for DeVos Place. The contract for the services described will be reassigned to the Convention-Arena Authority as owners of the facility sometime in the near future. Grand Action will be responsible for payment of fees for services incurred until such time of reassignment.

**Project Scope**

The architectural and engineering design work will address the interior transformation of the performance hall giving the space a completely refreshed ambiance. The physical boundaries of the renovation extend from the wall of the Keeler Lobby on the east to the proscenium wall of the stage house on the west. From north to south, the project extends to the existing outside walls of the theater structure.

The design objectives for the project are as follows:

- Address Americans with Disabilities Act (ADA) issues in house seating areas; orchestra, mezzanine, balcony. ADA seating requirements will be met with the intent of minimizing the impact on seating capacity. New elevator equipment has been purchased as part of the primary DeVos Place project, the enclosure and equipment room are not part of this scope of work but will be resolved under separate agreement with the CAA.
- Refurbishment of existing theater seating.
- Update and significantly improve the look and feel of the house interior and adjoining entry paths:
  1. Provide new interior finish for walls, flooring, and painting of house ceiling clouds and balcony ceiling.
  2. Enhance lighting in side circulation and balcony overhang areas with color wall wash and accent fixtures.
  3. Replace balcony light fixtures.
  4. Redesign all balcony fronts to create a refreshed look and improve sight lines.
- Coordinate the introduction of a multi-media video system, including an evaluation of the existing sound reinforcement system.

Progressive AE  
1811 4 Mile Road, NE  
Grand Rapids, MI 49525 2442  
616 361 2664 VOICE  
616 361 1493 FAX  
www.progressiveae.com

The scope of work does not envision significant changes to heating, ventilation and air conditioning systems. The mechanical equipment supporting the house and stage is being upgraded under the primary convention center project.

Jon Nunn – DeVos Performance Hall Interiors  
January 20, 2003  
Page 2

The scope of work does not include the rearrangement of ceiling structures, catwalks, or house rigging that support theater lighting.

Although discussed during earlier concept design phases, there will be no rearrangement or reconfiguration of seating and aisles. Refurbishment consists of refinishing wood elements, repainting, repairing step-lights, reupholstering and replacing seat units on existing anchors.

#### **Team Approach**

Progressive completed preliminary conceptual design work during 2002. The images developed then provide the basis for the current design direction and were the foundation of the work of Erhardt Hunt providing a conceptual construction budget.

With a revised scope as represented above, we will move ahead to complete schematic design requiring the design team to expand beyond Progressive's in-house architectural and engineering staff to include specialized consultants. Consultants are needed in the areas of theater acoustics, multi-media system design, possible sound system enhancement, and lighting design. We have identified these consultants with the expectation that their programmatic and practical input is important to achieve the successful performance of the renovated room. Their expertise is important in defining, developing and communicating these complex issues especially to the user arts groups. This team will then continue with design development, construction documents, bid process support, and construction observation services.

We recognize the critical nature of the construction schedule requiring the integration of renovation activity with the performing arts seasons. A phased construction approach is preferred by the owner/operators occurring through the summer of 2003 and summer of 2004. In order to reach this goal, planning and design are to begin immediately.

#### **Compensation**

We propose to provide the services described above as a *change of services* relating to the work originally initiated in the *base services agreement* that Progressive AE has in effect with the Convention Arena Authority.

We propose to provide the work as outlined in this letter for a stipulated sum of \$200,000.00. The services provided by specialized consultants who are retained at the architect's expense are provided in addition to this amount as follows:

Lighting design	Schuler & Shook, Chicago
Theater consulting	Schuler & Shook, Chicago
Acoustical consulting	Kirkegaard & Associates, Chicago
Sound assessment	Kirkegaard & Associates, Chicago
Multi-media consulting	Intaglio, Grand Rapids
Total Consultants Fees	\$88,000.00
Total Compensation	\$288,000.00

Payment terms and conditions and stipulations regarding reimbursable expenses remain the same as those provided under the terms of the current base service agreement. We estimate reimbursable expenses to be \$14,500.

# ProgressiveAE

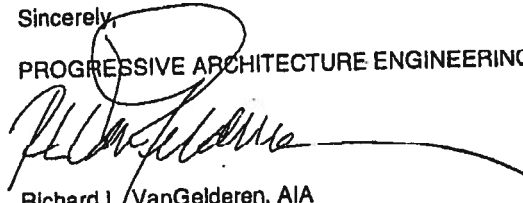
Jon Nunn - DeVos Performance Hall Interiors  
January 20, 2003  
Page 3

We trust this proposal meets your needs. We are ready to continue the work immediately upon your authorization. If this proposal is acceptable, please sign on the line provided below. An amendment to the current base contract will then be prepared.

Thank you for the opportunity to continue with the completion of this work and the final development of DeVos Place.

Sincerely,

PROGRESSIVE ARCHITECTURE ENGINEERING

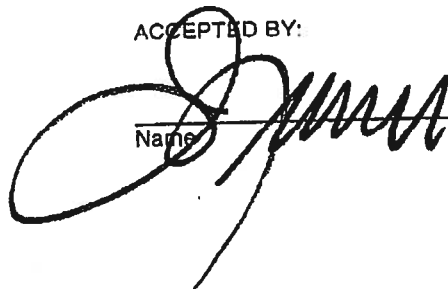


Richard L. VanGelder, AIA  
Director of Interior Architecture

Michael L. Perry, AIA  
Senior Vice President  
Facility Design Group Leader

RLV/lmc  
Proposal  
01200304/003  
Progressive AE - Mary Beth Ruskowski  
X:\WMAJ01\01200304\2003rv0117p.doc

ACCEPTED BY:

 Exec Director 3/31/03  
Name Title Date

## Attachment II

### DEVOS HALL INTERIOR PROJECT BUDGET

Direct Construction Costs	\$2,186,315.00
Construction Contingency	270,000.00
Multi Media Sound System	310,000.00 <sup>1</sup>
Refurbish Seats	<u>750,000.00<sup>1</sup></u>
Total Construction Estimate	\$3,516,315.00
Professional Services	
Architect's fees paid for services to 1/17/03	\$143,685.00
Architect's fees to be paid for services after 1/17/03	200,000.00
Consultants	105,000.00 <sup>2</sup>
Reimbursable expenses	<u>35,000.00<sup>3</sup></u>
	\$483,685.00
Owner's Contingency	
12.5% of Construction Costs	\$320,000.00
Owner's out-of-pocket expenses	<u>80,000.00</u>
Total estimated cost	\$4,400,000.00

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<sup>1</sup> Owners budget - no architect's fee.

<sup>2</sup> Requires prior approval of Owner's Representative – Dale H. Sommers

<sup>3</sup> Not to exceed.

**MEMORANDUM OF UNDERSTANDING RELATED  
TO DEVOS PERFORMANCE HALL INTERIOR RENOVATION**

**THIS MEMORANDUM OF UNDERSTANDING** (the "Memorandum") is entered into between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY** (the "CAA") and the **GRAND ACTION COMMITTEE** ("Grand Action").

**RECITALS**

A. The CAA is an authority created by the City of Grand Rapids and the County of Kent pursuant to the Convention Facility Authority Act, Act 203 of the Public Acts of Michigan of 1999 for the purpose, in part, of constructing, renovating, improving, enlarging, equipping, financing and operating convention facilities including specifically the new DeVos Place convention center, including DeVos Performance Hall (collectively, the "New Convention Center").

B. Grand Action is a community organization formed for civic purposes including gaining public and private support for the New Convention Center.

C. Grand Action has entered into a Memorandum of Understanding dated April 1, 2003, agreeing to contribute to the CAA \$33,000,000 in in-kind and cash contributions (the "Grand Action Contribution") toward completion of the New Convention Center.

D. As originally planned, the work related to the New Convention Center did not include the renovation of the interior to DeVos Performance Hall.

E. Grand Action has proposed that the renovation of the interior of DeVos Performance Hall (the "DeVos Hall Interior Project") as generally described in a letter dated January 17, 2003, from Richard L. VanGelderens, AIA, of Progressive AE, Grand Rapids, Michigan, and attached hereto as Attachment I, be included as a part of the New Convention Center project.

F. The cost of the DeVos Hall Interior Project is \$4,400,000 as set forth in the budget attached hereto as Attachment II (the "Budget").

G. Grand Action has agreed to contribute to the CAA, in addition to the Grand Action Contribution, the full amount of the Budget, i.e., \$4,400,000 (the "Additional Grand Action Contribution") to be used by the CAA to complete the DeVos Hall Interior Project as generally described in Attachment I.

H. The CAA has agreed to complete, or cause the completion of, the DeVos Hall Interior Project at a cost not in excess of the Budget.

I. The CAA and Grand Action desire to set forth in this Memorandum an agreed upon timetable for payment of the Grand Action Additional Contribution for completion of the DeVos Hall Interior Project.



## UNDERSTANDING

The CAA and Grand Action acknowledge and agree with respect to the Additional Grand Action Contribution that:

1. Grand Action has previously made payments totaling \$274,646.80 for services related to the DeVos Hall Interior Project.

2. Grand Action will make cash contributions to the CAA for the DeVos Hall Interior Project as follows.

<u>Payment Date</u>	<u>Amount</u>
April 1, 2004	\$460,353.20
May 1, 2004	733,000.00
June 1, 2004	733,000.00
July 1, 2004	733,000.00
August 1, 2004	733,000.00
September 1, 2004	<u>733,000.00</u>
	\$4,125,353.20

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

Dated: \_\_\_\_\_, 2003

By: \_\_\_\_\_  
John H. Logie, Chairman

### GRAND ACTION COMMITTEE

Dated: \_\_\_\_\_, 2003

By: \_\_\_\_\_  
Jon R. Nunn, Executive Director

ATTACHMENT I

January 17, 2003

**ProgressiveAE**

Mr. Jon Nunn, Executive Director  
Grand Action  
The Waters Building  
120 Lyon NW  
Grand Rapids, Michigan 49503

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The architectural and engineering design work will address the interior transformation of the performance hall giving the space a completely refreshed ambiance. The physical boundaries of the renovation extend from the wall of the Keeler Lobby on the east to the proscenium wall of the stage house on the west. From north to south, the project extends to the existing outside walls of the theater structure.

The design objectives for the project are as follows:

- Address Americans with Disabilities Act (ADA) issues in house seating areas; orchestra, mezzanine, balcony. ADA seating requirements will be met with the intent of minimizing the impact on seating capacity. New elevator equipment has been purchased as part of the primary DeVos Place project, the enclosure and equipment room are not part of this scope of work but will be resolved under separate agreement with the CAA.
- Refurbishment of existing theater seating.
- Update and significantly improve the look and feel of the house interior and adjoining entry paths:
  1. Provide new interior finish for walls, flooring, and painting of house ceiling clouds and balcony ceiling.
  2. Enhance lighting in side circulation and balcony overhang areas with color wall wash and accent fixtures.
  3. Replace balcony light fixtures.
  4. Redesign all balcony fronts to create a refreshed look and improve sight lines.
- Coordinate the introduction of a multi-media video system, including an evaluation of the existing sound reinforcement system.

Progressive AE  
1811 4 Mile Road, NE  
Grand Rapids, MI 49525 2442  
616 361 2664 VOICE  
616 361 1493 FAX  
www.progressiveae.com

The scope of work does not envision significant changes to heating, ventilation and air conditioning systems. The mechanical equipment supporting the house and stage is being upgraded under the primary convention center project.

Jon Nunn – DeVos Performance Hall Interiors  
January 20, 2003  
Page 2

The scope of work does not include the rearrangement of ceiling structures, catwalks, or house rigging that support theater lighting.

Although discussed during earlier concept design phases, there will be no rearrangement or reconfiguration of seating and aisles. Refurbishment consists of refinishing wood elements, repainting, repairing step-lights, reupholstering and replacing seat units on existing anchors.

#### **Team Approach**

Progressive completed preliminary conceptual design work during 2002. The images developed then provide the basis for the current design direction and were the foundation of the work of Erhardt Hunt providing a conceptual construction budget.

With a revised scope as represented above, we will move ahead to complete schematic design requiring the design team to expand beyond Progressive's in-house architectural and engineering staff to include specialized consultants. Consultants are needed in the areas of theater acoustics, multi-media system design, possible sound system enhancement, and lighting design. We have identified these consultants with the expectation that their programmatic and practical input is important to achieve the successful performance of the renovated room. Their expertise is important in defining, developing and communicating these complex issues especially to the user arts groups. This team will then continue with design development, construction documents, bid process support, and construction observation services.

We recognize the critical nature of the construction schedule requiring the integration of renovation activity with the performing arts seasons. A phased construction approach is preferred by the owner/operators occurring through the summer of 2003 and summer of 2004. In order to reach this goal, planning and design are to begin immediately.

#### **Compensation**

We propose to provide the services described above as a *change of services* relating to the work originally initiated in the *base services agreement* that Progressive AE has in effect with the Convention Arena Authority.

We propose to provide the work as outlined in this letter for a **stipulated sum of \$200,000.00**. The services provided by specialized consultants who are retained at the architect's expense are provided in addition to this amount as follows:

Lighting design	Schuler & Shook, Chicago
Theater consulting	Schuler & Shook, Chicago
Acoustical consulting	Kirkegaard & Associates, Chicago
Sound assessment	Kirkegaard & Associates, Chicago
Multi-media consulting	Intaglio, Grand Rapids
Total Consultants Fees	\$88,000.00
Total Compensation	\$288,000.00

Payment terms and conditions and stipulations regarding reimbursable expenses remain the same as those provided under the terms of the current base service agreement. We estimate reimbursable expenses to be **\$14,500**.

# ProgressiveAE

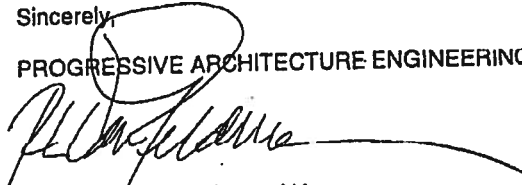
Jon Nunn - DeVos Performance Hall Interiors  
January 20, 2003  
Page 3

We trust this proposal meets your needs. We are ready to continue the work immediately upon your authorization. If this proposal is acceptable, please sign on the line provided below. An amendment to the current base contract will then be prepared.

Thank you for the opportunity to continue with the completion of this work and the final development of DeVos Place.

Sincerely,

PROGRESSIVE ARCHITECTURE ENGINEERING

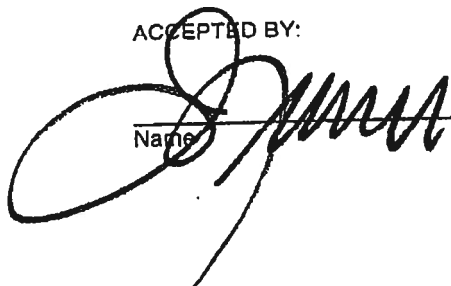


Richard L. VanGelder, AIA  
Director of Interior Architecture

Michael L. Perry, AIA  
Senior Vice President  
Facility Design Group Leader

RLV/lmc  
Proposal  
01200304/003  
Progressive AE - Mary Beth Ruskowski  
X:\WMAJ01\01200304\2003\rv0117p.doc

ACCEPTED BY:

 Exec Director 3/31/03  
Name Title Date

## Attachment II

### DEVOS HALL INTERIOR PROJECT BUDGET

Direct Construction Costs	\$2,186,315.00
Construction Contingency	270,000.00
Multi Media Sound System	310,000.00 <sup>1</sup>
Refurbish Seats	<u>750,000.00<sup>1</sup></u>
Total Construction Estimate	\$3,516,315.00
Professional Services	
Architect's fees paid for services to 1/17/03	\$143,685.00
Architect's fees to be paid for services after 1/17/03	200,000.00
Consultants	105,000.00 <sup>2</sup>
Reimbursable expenses	<u>35,000.00<sup>3</sup></u>
	\$483,685.00
Owner's Contingency	
12.5% of Construction Costs	\$320,000.00
Owner's out-of-pocket expenses	<u>80,000.00</u>
Total estimated cost	\$4,400,000.00

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<sup>1</sup> Owners budget - no architect's fee.

<sup>2</sup> Requires prior approval of Owner's Representative – Dale H. Sommers

<sup>3</sup> Not to exceed.

# MEMORANDUM

CITY OF GRAND RAPIDS

**DATE:** June 30, 2003

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

**FROM:** Ingrid Scott-Weekley, Director  
Equal Opportunity Department

**SUBJECT: M/WBE Policy and Administrative Guideline Revisions**

The City of Grand Rapids MWBE Policy has been in existence in one form or another since the 1980's; and in recent years has undergone numerous revisions as the federal courts have rendered sweeping decisions regarding race conscious programs. Essentially, the courts have opined that race conscious programs are justified only in those instances where a factual predicate has been established evidencing that discrimination exists and a narrowly tailored remedy is warranted.

In an effort to ensure that the City's race and gender conscious MWBE program remained consistent with case law, the City has conducted two disparity studies in recent years. The first study was conducted in 1990 and revealed that discrimination in the construction industry in Kent and Ottawa Counties was sufficiently pervasive to warrant establishment of a race and gender conscious program with 11% MBE and 1% WBE goals. A follow up or "second generation" study conducted in 1999 revealed that although disparities continue to exist in the utilization of MWBE contractors and subcontractors in comparison to their white male counterparts, those disparities did not meet the ever-increasing legal standards established by the courts to warrant the continuation of the current MWBE program.

As a result of evolving case law and these studies, numerous revisions have been made to the City's MWBE Policy and attendant Administrative Guidelines. These revisions include but are not limited to:

REFERENCE:	REVISION
<ul style="list-style-type: none"> <li>• City Commission Policy: Paragraph 1</li> <li>• City Commission Policy: Paragraph 7</li> <li>• Administrative guidelines: Section I.1.2</li> <li>• Administrative guidelines: Section X.10.2</li> </ul>	<ul style="list-style-type: none"> <li>• Adjustment of the MBE goal from 11% to 9%,</li> <li>• Establishment of sunset provisions to phase out the current program,</li> <li>• Adoption by reference of the MWBE Policy and Guidelines by the following authorities: Convention Center Arena Authority (CCAA), City-County Building Authority (CCBA), Downtown Development Authority (DDA), Grand Rapids Building Authority (GRBA), and the Tax Investment Financing District (TIFD);</li> <li>• Applicability of the MWBE Policy appeals provision to the aforementioned authorities, when warranted.</li> </ul>

In addition to these revisions, the City has established a new Economic Opportunity Plan (EOP). The EOP details numerous strategic initiatives that allow us to achieve our supplier diversity objectives through race and gender neutral means.

In an effort to assure that all authorities are made aware of the policy provisions and the direction in which the City is headed with regard to supplier diversity, we are requesting that said authorities adopt the current policy and guidelines as well as any future revisions made to the same.

Authorities will be updated on future changes as they occur.



**PLANNING YOUR MEETING WILL BE A SNAP.**  
**STAYING *focused*, THAT'LL BE TRICKY.**



From our new, state-of-the-art, one-million square foot convention facility connected to our 700-room Four-Star hotel, to our pristine beaches, championship golf courses, and eclectic nightlife – Michigan's West Coast™ is the ideal place for your clients to get their work done – while having a great time in the process.

To find out more about our premier meeting facilities, accommodations, and nearby attractions, call **1-800-678-9859**, or simply go to our website.

**Grand Rapids/Kent County  
Convention & Visitors Bureau**  
[www.meetgrandrapids.org](http://www.meetgrandrapids.org)

**Amway Grand Plaza Hotel**  
[www.amwaygrand.com](http://www.amwaygrand.com)

**GRAND  
RAPIDS**  
MICHIGAN

Amway Grand Plaza

DEVOS PLACE

Michigan's West Coast



## DeVos Place

Grand Rapids, Michigan  
[www.visitgrandrapids.org](http://www.visitgrandrapids.org)

From our new, high-performance convention center to our sandy beaches, championship golf courses, and thriving nightlife — Michigan's West Coast is the perfect place for convention delegates to get their work done while having fun at the same time.

From the great lake to the grand city, there's a world of pleasure awaiting you in Michigan's West Coast. Enjoy charming seaside villages a thousand miles from the sea. The sand and surf of Lake Michigan are just a short drive away.

Exciting nightlife, entertainment, first-class hotels, and a new convention center are all within the heart of Grand Rapids. Walk the downtown river, lose yourself in the plants and sculptures of Frederik Meijer Gardens & Sculpture Park, and visit museums for history and art.

Experience the latest innovations in convention and meeting facilities when the \$220 million DeVos Place convention center opens this December. The 1 million-square-foot facility will offer an exhibition hall the size of three football fields and its ballroom will be one of the nation's largest.

Adjacent to DeVos Place is the elegant 700-room, 4-Diamond 4-Star, Amway Grand Plaza Hotel. Meeting rooms are abundant and guests enjoy their newly designated 5-Diamond restaurant.



Grand Rapids downtown

### Highlights on Michigan's West Coast

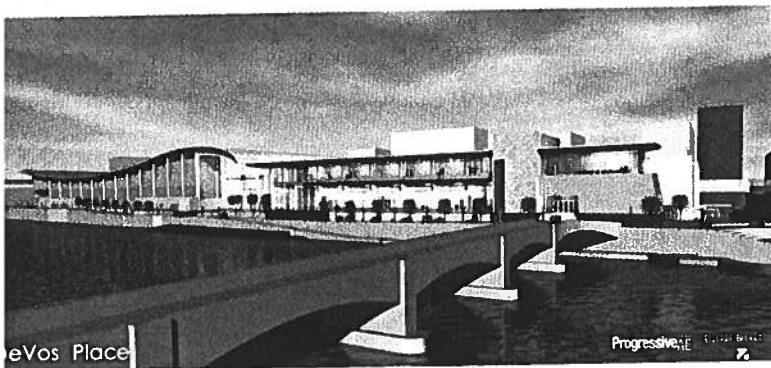
- Special events including Holland's Tulip Time, Muskegon's Tall Ships and Grand Haven's Coast Guard Festival
- Art galleries and boutiques
- Michigan's newest entertainment district
- One of the top three golf locations in the Great Lakes
- Professional baseball, hockey, basketball, and football

### Center Specs

- A total area of 1 million square feet
- A 160,000-square-foot exhibition hall
- A ballroom to accommodate 2,540 for banquets
- A 2,446-seat theater on site
- A 12,700-seat arena connected by skywalk

### CONTACT

George Helmstead  
 Vice President of Sales  
 Grand Rapids/Kent County Convention & Visitors Bureau  
 140 Monroe Center NW, Suite 300  
 Grand Rapids, MI 49503  
 (800) 678-9859  
 Fax: (616) 459-7291  
[ghelmstead@visitgrandrapids.org](mailto:ghelmstead@visitgrandrapids.org)  
[www.meetgrandrapids.org](http://www.meetgrandrapids.org)



Grand Rapids DeVos Place from the river

# MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 14, 2003

TO: Steve Heacock  
Grand Rapids - Kent County Convention / Arena Authority  
Finance Committee Chair

FROM: Jana M. Wallace *JMW*  
Acting Assistant to the City Manager

SUBJECT: Disbursements Report

Attached for your review are the lists of invoices processed for payment during the most recent period. Expenditures are summarized below.

Dates checks were issued	Operating Fund	Construction Fund
June 27, 2003	\$ 30,019.61	\$ 281,145.50
July 14, 2003	53,995.90	4,070,332.60
July 28, 2003	6,361.68	342,058.23
August 14, 2003	60,502.08	3,774,552.30
Payroll – 06/13/2003	2,066.56	--
Payroll – 06/27/2003	1,920.76	--
Payroll – 07/11/2003	2,033.96	--
Payroll – 07/25/2003	1,920.76	--
Payroll – 08/08/2003	2,190.94	--
<b>Disbursements by Fund</b>	<b>\$ 161,012.25</b>	<b>\$ 8,468,088.63</b>

Total disbursements for the Grand Rapids - Kent County Convention / Arena Authority during the period June 13 through August 14, 2003, were \$8,629,100.88.

Please call me at 456-4514 if you need additional information.

Attachments

# GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on June 27, 2003, as Authorized by the Current Bookkeeping Policy

	Payee	Amount	Invoice Date	Description of materials acquired / services received
<b>Invoices Submitted by Project Manager</b>				
C	Carl Walker Inc	\$ 4,920.88	05/31/2003	Loading dock evaluations for period ending June 13, 2003
C	Feyen-Zylstra Inc	11,376.00	06/12/2003	Infrastructure cabling project - horizontal cabling
C	Nextel Communications	121.38	06/11/2003	Owner's representatives cellular phone charges thru 06/06/2003
C	Pitsch Companies	46,740.00	06/16/2003	Removal of hazardous material
C	Progressive AE	104,929.21	06/16/2003	Architectural design services - May 2003
C	Progressive AE	16,695.00	06/16/2003	On-site architect's representative - May 2003
C	Progressive AE	600.00	06/09/2003	Owner requested changes - May 2003; 1 of 4
C	Progressive AE	1,101.43	06/09/2003	Owner requested changes - May 2003; 2 of 4
C	Progressive AE	5,623.93	06/09/2003	Owner requested changes - May 2003; 3 of 4
C	Progressive AE	5,144.69	06/09/2003	Owner requested changes - May 2003; 4 of 4
C	Quality Environmental Services Inc	82,430.50	06/09/2003	Welsh Auditorium asbestos abatement - thru June 9, 2003
C	SMG - Grand Center	390.08	06/06/2003	On-site facility review / consulting by SMG's Robert Johnson
		<b>\$ 280,073.10</b>	<b>Sub-Total - Invoices Submitted by Project Manager</b>	

## Invoices Submitted by City Fiscal Services

O	Arthur J. Gallagher Risk Mgmt Serv	150.00	05/13/2003	Surplus lines tax re directors & officers liability policy \$3M bal
O	Consumers Energy	24,036.15	06/06/2003	Electrical services for Grand Center - May 2003
O	Dickinson Wright PLLC	252.40	05/30/2003	Legal services re roof warranty & fireworks - April 2003
O	Dickinson Wright PLLC	154.00	05/30/2003	Legal services re Grand Action payment schedule - April 2003
O	Dickinson Wright PLLC	882.00	05/30/2003	Legal services re pedestrian/traffic management - April 2003
C	Dickinson Wright PLLC	1,072.40	05/30/2003	Legal services re Kent Concrete/Tillman litigation - April 2003
O	Dickinson Wright PLLC	392.00	05/30/2003	Legal services re operating matters - April 2003
O	Grand Rapids City Treasurer	3,753.06	06/19/2003	Water and sewer services for Grand Center - May 2003
O	ICMA Retirement Corporation - 401A	240.00	06/13/2003	Admin mgr's 401A - employer/employee contribs for 06/13/03 payroll
O	ICMA Retirement Corporation - 457	160.00	06/13/2003	Admin manager's 457 - employee contrib for 06/13/03 payroll
		<b>\$ 31,092.01</b>	<b>Sub-Total - Invoices Submitted by City Fiscal Services</b>	

**Total Invoices Submitted for Payment from Construction Account**

**Total Invoices Submitted for Payment from Operating Account**

**Total Invoices Processed for Payment**

**\$ 311,165.11**

C = Construction related expenses

O = Operating / non-construction expenses

# GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on July 14, 2003, as Authorized by the Current Bookkeeping Policy

	Payee	Amount	Invoice Date	Description of materials acquired / services received
<b>Invoices Submitted by Project Manager</b>				
C	Erhardt - Hunt: A Joint Venture	\$3,792,590.00	06/30/2003	Progress pmt # 31: Construction - general / masonry / electrical
C	GR-KC C/AA Retainage Account	232,094.00	06/30/2003	Retainage for progress payment # 31
C	Feyen-Zylstra Inc	5,013.00	06/24/2003	Infrastructure cabling project - copper / fiber cabling
C	J P Gray Consulting Inc	11,970.00	06/30/2003	Project management services - June 2003
C	Jerry G Fellingner, Fire / Secur Sys	2,100.00	07/03/2003	Security system consulting / meetings - June 2003
C	Materials Testing Consultants Inc	15,605.60	07/07/2003	Construction phase services - June 2003
C	Sommers, Dale H	10,960.00	06/30/2003	Project management services - June 2003
		<b>\$4,070,332.60</b>		<b>Invoices Submitted by Project Manager</b>
O	Beene Garter LLP	\$ 1,015.00	06/26/2003	Bookkeeping services through June 20, 2003
O	Consumers Energy	28,926.29	06/26/2003	Electrical services for Arena - June 2003
O	Consumers Energy	1,704.22	06/21/2003	Electrical services for Skywalk - June 2003
O	Dickinson Wright PLLC	1,111.00	05/30/2003	Legal services re football lease - April 2003
O	Grand Rapids City Treasurer	2,419.06	06/26/2003	Water and sewer services for Arena - June 2003
O	Grand Rapids City Treasurer	284.96	07/02/2003	Irrigation meter water/sewer charges - June 2003
O	Kent County Dept of Public Works	10.00	06/30/2003	Skywalk steam services - June 2003
O	Kent County Dept of Public Works	2,734.05	06/30/2003	Grand Center steam services - June 2003
O	Kent County Dept of Public Works	15,449.00	06/30/2003	Arena steam services - June 2003
O	Priority Health	342.32	06/27/2003	Insurance benefits for administrative manager - July 2003
		<b>\$ 53,995.90</b>		<b>Sub-Total - Invoices Submitted by City Fiscal Services</b>
		<b>\$4,070,332.60</b>		<b>Total Invoices Submitted for Payment from Construction Account</b>
		<b>\$ 53,995.90</b>		<b>Total Invoices Submitted for Payment from Operating Account</b>
		<b>\$4,124,328.50</b>		<b>Total Invoices Processed for Payment</b>

C = Convention Center construction related expenses

O = Non-construction / operating expenses

# GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on July 28, 2003, as Authorized by the Current Bookkeeping Policy

Payee	Amount	Invoice Date	Description of materials acquired / services received
<b>Invoices Submitted by Project Manager</b>			
C Diamond Drilling & Supply Company	\$ 7,637.00	06/30/2003	Drilling related to hearing loops
C Feyen-Zylstra Inc	49,635.00	07/11/2003	Infrastructure cabling project - horizontal cabling
C Feyen-Zylstra Inc	11,664.00	07/23/2003	Infrastructure cabling project - horizontal cabling
C Materials Testing Consultants Inc	2,180.47	07/08/2003	Keeler Lobby elevator - coring & hand augur boring
C Midstate Security	7,200.00	05/22/2003	Multiple security systems for Convention Center - payment # 6
C Midstate Security	23,400.00	06/19/2003	Multiple security systems for Convention Center - payment # 7
C Nextel Communications	128.32	07/06/2003	Owner's representatives cellular phone charges as of 07/06/2003
C Progressive AE	5,376.77	05/05/2003	F F & E design services - April 2003
C Progressive AE	4,921.47	06/16/2003	F F & E design services - May 2003
C Progressive AE	90,560.32	07/08/2003	Architectural design services - June 2003
C Progressive AE	5,893.35	07/08/2003	De Vos Hall interior art / accessories - June 2003
C Progressive AE	12,890.00	07/08/2003	On-site architect's representative - June 2003
C Progressive AE	1,379.53	07/08/2003	Owner requested changes - June 2003; 1 of 3
C Progressive AE	2,525.00	07/08/2003	Owner requested changes - June 2003; 2 of 3
C Progressive AE	315.00	07/08/2003	Owner requested changes - June 2003; 3 of 3
C Select One	116,100.00	07/02/2003	Renew builders risk insurance for 07/01/03 - 07/01/04
	<u>\$ 341,806.23</u>		<b>Sub-Total - Invoices Submitted by Project Manager</b>
O Dickinson Wright PLLC	616.00	04/30/2003	Legal services re football lease - March 2003
O Dickinson Wright PLLC	362.20	04/30/2003	Legal services re customer injury claim - March 2003
O Dickinson Wright PLLC	1,176.00	04/30/2003	Legal services re pedestrian/traffic management - March 2003
C Dickinson Wright PLLC	252.00	06/30/2003	Legal services re Erhardt/Hunt agreement - May 2003
O Dickinson Wright PLLC	28.00	06/30/2003	Legal services re CBA Lease - May 2003
O Dickinson Wright PLLC	112.00	06/30/2003	Legal services re facilities management agreement - May 2003
O Dickinson Wright PLLC	1,597.40	06/30/2003	Legal services re football lease - May 2003
O Dickinson Wright PLLC	462.00	06/30/2003	Legal services re DeVos Place logo agreement - May 2003
O Dickinson Wright PLLC	646.80	06/30/2003	Legal services re misc administrative matters - May 2003
O Grand Rapids City Treasurer	30.25	07/08/2003	Fire protection water line for Skywalk - July - September 2003
O Grand Rapids City Treasurer	50.14	07/08/2003	Water and sewer services for Skywalk - March - June 2003
O Grand Rapids City Treasurer	108.89	07/08/2003	Fire protection water line for Arena - July - September 2003
O ICMA Retirement Corporation - 401A	246.00	07/11/2003	Admin mgr's 401A - employer/employee contribs for 07/11/03 payroll
O ICMA Retirement Corporation - 401A	246.00	07/25/2003	Admin mgr's 401A - employer/employee contribs for 07/25/03 payroll
O ICMA Retirement Corporation - 457	160.00	07/11/2003	Admin manager's 457 - employee contrib for 07/11/03 payroll
O ICMA Retirement Corporation - 457	160.00	07/25/2003	Admin manager's 457 - employee contrib for 07/25/03 payroll
O Priority Health	342.32	07/14/2003	Insurance benefits for administrative manager - August 2003
O Rapid Hot Coffee Service	27.68	06/25/2003	Beverages / snacks for June 25, 2003 meeting
	<u>\$ 6,613.68</u>		<b>Sub-Total - Invoices Submitted by City Fiscal Services</b>
	<u>\$ 342,058.23</u>		<b>Total Invoices Submitted for Payment from Construction Account</b>
	<u>\$ 6,361.68</u>		<b>Total Invoices Submitted for Payment from Operating Account</b>
	<u>\$ 348,419.91</u>		<b>Total Invoices Processed for Payment</b>

C = Construction related expenses  
O = Operating / non-construction expenses

# GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on August 14, 2003, as Authorized by the Current Bookkeeping Policy

	Payee	Amount	Invoice Date	Description of materials acquired / services received
R	Erhardt - Hunt: A Joint Venture	\$ 1,435,943.00	07/31/2003	Draw on retainage account per agreement-Draw #5
<b>Invoices Submitted by Project Manager</b>				
C	Erhardt - Hunt: A Joint Venture	\$ 3,597,452.00	07/31/2003	Progress pmt # 32: Construction - general / masonry / electrical
C	GR-KC C/AA Retainage Account	120,517.00	07/31/2003	Retainage for progress payment # 32
C	ISG	20,875.64	07/31/2003	AC power supply, cable, module server
C	J P Gray Consulting Inc	13,300.00	08/02/2003	Project management services - July 2003
C	Jerry G Fellingner, Fire / Secur Sys	2,100.00	08/02/2003	Security system consulting / meetings - July 2003
C	Ottawa County Landfill	3,267.20	07/30/2003	Contaminated soil dumping - July 25-30, 2003
C	Progressive AE	1,235.76	05/05/2003	Environmental graphics - period ending April 25, 2003
C	Progressive AE	986.91	06/16/2003	Environmental graphics - period ending May 30, 2003
C	Progressive AE	2,117.29	07/08/2003	Environmental graphics - period ending June 27, 2003
C	SMG - Philadelphia	220.50	07/09/2003	FFE Consultant
C	Sommers, Dale H	12,480.00	07/31/2003	Project management services - July 2003
		<b>\$ 3,774,552.30</b>		<b>Sub-Total - Invoices Submitted by Project Manager</b>
<b>Invoices Submitted by City Fiscal Services</b>				
O	Consumers Energy	2,307.63	07/28/2003	Electrical services for Skywalk - July 2003
O	Consumers Energy	18,128.23	07/08/2003	Electrical services for Grand Center - June 2003
O	Consumers Energy	23,679.82	07/28/2003	Electrical services for Arena - July 2003
O	Grand Rapids City Treasurer	1,671.86	07/31/2003	Water and sewer services for Arena - July 2003
O	Grand Rapids City Treasurer	352.16	07/31/2003	Irrigation meter water/sewer charges - July 2003
O	Grand Rapids City Treasurer	891.46	07/24/2003	Water and sewer services for Grand Center - July 2003
O	Kent County Dept of Public Works	10.00	07/31/2003	Skywalk steam services - July 2003
O	Kent County Dept of Public Works	2,443.30	07/31/2003	Grand Center steam services - July 2003
O	Kent County Dept of Public Works	8,144.52	07/31/2003	Arena steam services - July 2003
O	Office Depot	47.95	07/31/2003	Printer cartridge
O	Warner Norcross & Judd LLP	380.00	07/17/2003	DeVos Place logo copyright - 4/14 - 6/20/2003
O	Warner Norcross & Judd LLP	2,445.15	07/18/2003	DeVos Place logo trademark - 3/31 - 6/03/2003
		<b>\$ 60,502.08</b>		<b>Sub-Total - Invoices Submitted by City Fiscal Services</b>
		<b>\$ 1,435,943.00</b>		<b>Total Invoices Submitted for Payment from Retainage Account</b>
		<b>\$ 3,774,552.30</b>		<b>Total Invoices Submitted for Payment from Construction Account</b>
		<b>\$ 60,502.08</b>		<b>Total Invoices Submitted for Payment from Operating Account</b>
		<b>\$ 5,270,997.38</b>		<b>Total Invoices Processed for Payment</b>

C = Convention Center construction related expenses

O = Non-construction / operating expenses

R = Retainage funds for which the Authority serves as fiduciary



## **GRAND CENTER**

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED JUNE 30, 2003**

**\*\*\*\*\* PRELIMINARY / UNAUDITED STATEMENTS \*\*\*\*\***

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority  
Robert White  
Glen Mon  
Bob Johnson  
Gary McAneney  
John Szudzik  
Richard MacKeigan  
Chris Machuta



---

*An SMG Managed Facility*

**GRAND CENTER  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2003**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
<b>NO. EVENTS</b>	354		354	305	49
<b>ATTENDANCE</b>	477,975		477,975	449,307	28,668
<b>DIRECT EVENT REVENUE</b>	1,500,444		1,500,444	1,297,805	202,639
<b>ANCILLARY REVENUE</b>	560,760		560,760	491,054	69,706
<b>TOTAL EVENT REVENUE</b>	2,061,204	-	2,061,204	1,788,859	272,345
<b>TOTAL OTHER REVENUE</b>	108,564		108,564	203,000	(94,436)
<b>TOTAL OPERATING REVENUE</b>	2,169,768	-	2,169,768	1,991,859	177,909
<b>INDIRECT EXPENSES</b>					
EXECUTIVE	111,100		111,100	86,064	(25,036)
FINANCE	160,644		160,644	142,850	(17,794)
MARKETING	78,615		78,615	146,847	68,232
OPERATIONS	408,988		408,988	480,979	71,991
EVENT SERVICES	449,937		449,937	447,613	(2,324)
BOX OFFICE	73,997		73,997	57,425	(16,572)
OVERHEAD	1,095,013		1,095,013	990,049	(104,964)
<b>TOTAL OPERATING EXP.</b>	2,378,294	-	2,378,294	2,351,831	(26,467)
<b>NET REVENUE ABOVE EXPENSES</b>	(208,525)	-	(208,526)	(359,972)	151,442
<b>CAPITAL</b>	4,528		4,528	62,000	(57,472)
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	(213,053)	-	(213,054)	(421,972)	208,914

**Comments:**

June marks the end of the Fiscal Year for the Grand Center and the very last financial statement presented under the Grand Center name. June performed better than anticipated due to some additional spending on decorating and helped the Grand Center end \$150,000 ahead of budgeted expectations.

  
General Manager

  
Finance Director



**GRAND CENTER  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED JUNE 30, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2003, compared to budget and to the prior year:

<b>MONTH</b>	<b>June Actual</b>	<b>June Budget</b>	<b>June FY 2002</b>
Number of Events	9	4	18
Attendance	12,456	5,100	17,320
Direct Event Income	\$35,052	\$18,140	\$76,828
Ancillary Income	21,268	6,546	27,922
Other Income	1,300	16,913	(18,809)
Indirect Expenses	(227,419)	(196,513)	(206,012)
Net Income	(\$169,799)	(\$154,914)	(\$120,071)

<b>YTD</b>	<b>YTD 2003 Actual</b>	<b>YTD 2003 Budget</b>	<b>YTD 2002 Prior Year</b>
Number of Events	354	305	384
Attendance	477,975	449,307	490,444
Direct Event Income	\$1,500,444	\$1,297,805	1,478,000
Ancillary Income	560,760	491,054	597,270
Other Income	108,564	203,000	94,604
Indirect Expenses	(2,378,294)	(2,358,134)	(2,229,967)
Net Income	(\$208,526)	(\$366,275)	(\$60,093)
Less Capital	(\$4,528)		(\$47,841)
Net Income after Capital	(\$213,054)	(\$366,275)	(\$107,934)

**EVENT INCOME**

Event income came in above budgeted expectations due to the unbudgeted Quixtar Live event that was hosted.

**ANCILLARY INCOME**

Ancillary income came in above expectations due to the spending associated with the Quixtar event.

**INDIRECT EXPENSES**

Indirect expenses came in at expected levels with the exception of the accrual of the SMG incentive fee that had been previously only shown in the forecast column of the financial statement.

GRAND CENTER  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 06/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
<hr/>						
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	39,075	16,000	78,341	1,457,082	1,231,630	1,443,971
SERVICES INCOME	<4,023>	2,140	<1,513>	43,362	66,175	34,030
<hr/>						
TOTAL DIRECT EVENT INCOME	35,052	18,140	76,828	1,500,444	1,297,805	1,478,000
<hr/>						
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	5,834	1,246	11,710	187,276	173,609	204,274
NOVELTY	381	1,500	4,758	21,219	16,700	43,809
TELECOMMUNICATIONS	0	0	908	1,747	0	9,422
ELECTRICAL	1,906	200	594	28,590	26,350	33,402
OTHER ANCILLARY	13,147	3,600	9,952	321,927	274,395	306,363
<hr/>						
TOTAL ANCILLARY INCOME	21,268	6,546	27,922	560,760	491,054	597,270
<hr/>						
TOTAL EVENT INCOME	56,320	24,686	104,750	2,061,204	1,788,859	2,075,270
<hr/>						
OTHER OPERATING INCOME	1,300	16,913	<18,809>	108,564	203,000	94,604
<hr/>						
ADJUSTED GROSS INCOME	57,620	41,599	85,941	2,169,768	1,991,859	2,169,874
<hr/>						
INDIRECT EXPENSES						
EXECUTIVE	7,817	7,172	7,186	111,100	86,064	91,169
FINANCE	13,000	11,906	10,062	160,644	142,850	130,592
MARKETING	16,052	12,251	2,401	78,615	146,847	39,964
OPERATIONS	28,427	40,068	37,123	408,988	480,981	506,352
EVENT MANAGEMENT	29,052	37,829	38,687	449,937	453,915	372,650
BOX OFFICE	4,782	4,791	4,811	73,997	57,426	49,917
OVERHEAD	128,289	82,496	105,743	1,095,013	990,051	1,039,319
<hr/>						
INDIRECT EXPENSES	227,419	196,513	206,012	2,378,294	2,358,134	2,229,964
<hr/>						
NET OPERATING INCOME	<169,799>	<154,914>	<120,071>	<208,526>	<366,275>	<60,090>
<hr/>						
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	4,528	0	47,841
<hr/>						
OTHER EXPENSES	0	0	0	4,528	0	47,841
<hr/>						
NET INCOME (LOSS)	<169,799>	<154,914>	<120,071>	<213,054>	<366,275>	<107,931>
<hr/>						

GRAND CENTER  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 06/30/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	0	43,876	0	111,923
Stagehands Billed	6,706	11,000	50,875	696,544	752,700	842,217
Security Billed	1,408	3,200	14,872	85,955	111,945	120,089
Ushers & Tix Takers Billed	648	1,600	5,328	127,881	135,680	145,527
Box Office Billed	200	200	800	18,050	22,500	25,327
Ticketing Service Billed	115	4,000	7,032	149,559	168,600	187,673
Utilities Billed	0	0	0	2,200	0	5,470
City Police Fire Billed	0	0	992	16,639	7,774	21,313
Traffic Control Billed	141	150	0	11,949	17,520	19,138
EMT Medical Billed	472	300	592	21,927	20,995	23,581
Cleaning Billed	0	0	0	378	0	2,770
Insurance Billed	0	0	0	2,049	0	1,275
Group Sales Commissions Billed	0	0	0	0	0	889
Telephone Billed	500	580	1,270	28,380	12,880	12,849
Damages Billed	0	0	0	193	0	71
Other Production Billed	520	0	1,389	33,258	0	68,153
<b>TOTAL SERVICE INCOME</b>	<b>10,708</b>	<b>21,030</b>	<b>83,150</b>	<b>1,238,839</b>	<b>1,250,594</b>	<b>1,588,264</b>
Advertising Expense	0	0	153	41,358	0	102,918
Stagehand Wages	6,390	10,670	52,168	675,672	730,129	838,971
Security Wages	0	0	0	0	0	7,722
Contracted Security Expense	1,859	3,200	14,872	86,411	111,945	112,382
Ushers & T/T Wages	453	1,120	3,730	89,517	94,977	101,869
Ticket Sellers Wages	123	300	234	20,227	18,370	17,636
Ticket Service Charge Expense	0	1,400	3,601	46,350	51,029	65,703
City Police Fire Expense	0	0	992	16,399	6,474	21,313
Traffic Control Expense	1,053	500	96	30,549	35,335	36,893
EMT Medical Expense	575	300	465	16,792	20,995	17,243
Cleaning Wages	2,854	1,400	7,300	133,387	115,165	159,916
Contracted Cleaning Expense	0	0	0	0	0	2,083
Insurance Expense	737	0	0	2,101	0	899
Allocated Telephone Expense	125	0	0	5,919	0	0
Production Expense	563	0	1,054	30,794	0	68,687
<b>TOTAL SERVICE EXPENSE</b>	<b>14,731</b>	<b>18,890</b>	<b>84,663</b>	<b>1,195,476</b>	<b>1,184,419</b>	<b>1,554,234</b>
<b>NET SERVICE INCOME</b>	<b>&lt;4,023&gt;</b>	<b>2,140</b>	<b>&lt;1,513&gt;</b>	<b>43,362</b>	<b>66,175</b>	<b>34,030</b>

GRAND CENTER  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 06/30/03

ASSETS

CURRENT ASSETS

CASH	1,306,678
ACCOUNTS RECEIVABLE	267,027
PREPAID EXPENSES	59,940

TOTAL CURRENT ASSETS	1,633,645
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FIXED ASSETS

TOTAL ASSETS	1,633,645
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	78,894
ACCRUED EXPENSES	115,070
ADVANCED TIX SALES & DEPOSITS	158,148

TOTAL CURRENT LIABILITIES	352,112
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EQUITY

FUNDING RECEIVED	541,737
RETAINED EARNINGS	952,849
NET INCOME (LOSS)	<213,054>

TOTAL EQUITY	1,281,532
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TOTAL LIABILITIES & EQUITY	1,633,645
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GRAND CENTER  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 06/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	45,783	46,993	41,424	581,330	563,883	510,949
Part-Time	2,699	11,275	7,966	151,205	135,300	157,300
Wages-Trade	25,945	95,565	69,440	925,735	1,146,780	1,087,688
Auto Allowance	1,521	1,814	0	18,250	21,790	0
Auto Expense	0	0	1,521	0	0	17,900
Taxes & Benefits	22,174	30,109	23,569	366,766	361,297	329,520
Less: Allocation/Reimbursement	<23,964>	<110,156>	<74,069>	<1,094,617>	<1,321,949>	<1,255,747>
<b>TOTAL LABOR COSTS</b>	<b>74,159</b>	<b>75,600</b>	<b>69,850</b>	<b>948,669</b>	<b>907,101</b>	<b>847,609</b>
Contracted Security	6,347	5,000	7,672	78,371	60,000	57,104
Other Contracted Services	0	187	186	2,135	2,200	2,041
Travel & Entertainment	811	798	1,114	5,306	9,510	6,811
Corporate Travel	0	337	1,975	651	4,000	4,313
Meetings & Conventions	0	1,627	424	9,872	19,370	9,820
Dues & Subscriptions	300	160	0	1,253	1,920	1,525
Employee Training	0	837	0	430	10,000	459
Miscellaneous Expense	0	0	0	0	0	66
Computer Expense	3,371	5,413	2,438	42,972	65,000	32,476
Professional Fees	3,024	1,720	1,661	39,431	20,750	20,414
Marketing & Advertising	5,159	1,091	30	19,556	13,125	10,249
Box Office Expenses	<1>	0	30	603	0	595
Trash Removal	1,317	2,800	349	22,111	33,600	12,644
Equipment Rental	36	375	151	5,635	4,500	3,235
Snow Removal	0	0	0	0	0	169
Exterminating	375	362	375	4,425	4,410	4,808
Cleaning	0	1,250	0	0	15,000	613
Construction Costs	5,658	0	0	11,558	0	1,350
Repairs & Maintenance	4,617	9,007	9,405	73,280	108,150	122,534
Supplies	3,500	13,094	9,403	76,058	157,172	89,864
Bad Debt Expense	10,472	0	0	10,472	0	0
Bank Service Charges	<1,159>	750	610	7,718	9,000	12,527
Insurance	24,253	8,371	22,962	136,317	100,551	133,912
Other Taxes	0	300	0	0	3,600	0
Printing & Stationary	0	734	0	238	8,775	1,224
Office Supplies	887	500	20	6,483	6,000	7,447
Postage	2,423	200	444	3,169	2,400	1,582
MARKET RESEARCH	0	0	0	2	0	0
Parking Expense	1,517	1,500	1,502	18,189	18,000	20,316
Telephone Long Distance	2,341	2,000	2,874	34,436	24,000	30,080
Utilities	23,798	43,000	30,601	562,600	516,000	489,108
Base Fee	18,956	19,500	18,750	227,475	234,000	225,000
Incentive Fee	35,382	0	23,184	35,382	0	80,069
Less: Allocated/Reimbursement	<125>	0	0	<6,501>	0	0
<b>TOTAL MATERIAL AND SERVICES</b>	<b>153,260</b>	<b>120,913</b>	<b>136,161</b>	<b>1,429,625</b>	<b>1,451,033</b>	<b>1,382,354</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>227,419</b>	<b>196,513</b>	<b>206,012</b>	<b>2,378,294</b>	<b>2,358,134</b>	<b>2,229,964</b>
=====						

**SMG - Van Andel Arena & Grand Center**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2003**

<b>CAPITAL IMPROVEMENTS</b>				
	<b>Budget</b>	<b>Expended</b>	<b>Balance</b>	<b>Project Status</b>
<b>Arena</b>				
Skywalk Ice Melt System	42,000	20,610	21,390	Closed
Terazzo Floor Repair	38,000		38,000	Delay to F/Y 05
Banquet Room Refurbishment	25,000		25,000	Delay to F/Y 04
Hydraulic Seating Section	70,000		70,000	Delay to F/Y 05
Hockey Glass	20,000	16,750	3,250	Closed
Safety Nets		67,056	(67,056)	Closed
Floor Maintenance Equipment	18,500	13,992	4,508	Closed
Lobby Duct Painting	35,000	14,140	20,860	Closed
Security Gate System	120,200	79,324	40,876	Closed
<b>Total Arena</b>	<b>368,700</b>	<b>211,872</b>	<b>156,828</b>	
<b>Grand Center</b>				
Refinish DeVos Stage Floor	50,000		50,000	Delay to F/Y 05
Cyclorama for DeVos Stage House	12,000	4,528	7,472	Closed
<b>Total Grand Center</b>	<b>62,000</b>	<b>4,528</b>	<b>57,472</b>	
<b>Grand Total Capital Improvements</b>	<b>430,700</b>	<b>216,399</b>	<b>214,301</b>	

**MANAGEMENT FEE SUMMARY**

	<b>Arena Estimate</b>	<b>Grand Center Estimate</b>	<b>Total Estimate</b>	<b>FY 2002 Act/Est</b>
Net Revenue above Expenses	1,614,378	(208,526)	1,405,852	1,599,391
Benchmark	1,567,050	(359,972)	1,207,078	1,043,839
Excess	47,328	151,446	198,774	555,552

Incentive Fee Calculation (Only if above greater than zero)

	<b>Arena Estimate</b>	<b>Grand Center Estimate</b>	<b>Total Estimate</b>	<b>FY 2002 Act/Est</b>
Base Fee	227,475	227,475	454,950	450,000
<b>Incentive Fee</b>				
Revenue	4,937,784	2,169,768	7,107,552	7,066,354
Benchmark Revenue	4,246,112	1,991,859	6,237,971	5,969,444
Revenue Excess	691,672	177,909	869,581	1,096,910
Incentive Fee **	138,334	35,582	173,916	224,228
<b>Total SMG Management Fee</b>	<b>365,809</b>	<b>263,057</b>	<b>628,866</b>	<b>674,228</b>

\*\* Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.



# **VAN ANDEL ARENA**

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED JUNE 30, 2003**

**\*\*\*\*\*PRELIMINARY / UNAUDITED STATEMENTS\*\*\*\*\***

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority  
Robert White  
Glen Mon  
Bob Johnson  
Gary McAneney  
John Szudzik  
Richard MacKeigan  
Chris Machuta



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*An SMG Managed Facility*

VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2003

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	150		150	126	24
ATTENDANCE	774,789		774,789	772,050	2,739
DIRECT EVENT INCOME	1,305,695		1,305,695	1,124,723	180,972
ANCILLARY INCOME	1,548,957		1,548,957	1,302,948	246,009
TOTAL EVENT INCOME	2,854,652	-	2,854,652	2,427,671	426,981
TOTAL OTHER INCOME	2,083,132		2,083,132	1,915,000	168,132
TOTAL INCOME	4,937,784	-	4,937,784	4,342,671	595,113
INDIRECT EXPENSES					
EXECUTIVE	108,156		108,156	91,525	(16,631)
FINANCE	149,782		149,782	166,900	17,118
MARKETING	197,073		197,073	173,800	(23,273)
OPERATIONS	1,178,999		1,178,999	1,081,652	(97,347)
BOX OFFICE	115,436		115,436	118,100	2,664
LUXURY SEATING	123,606		123,606	116,530	(7,076)
SKYWALK ADMIN	35,787		35,787	36,700	913
OVERHEAD	1,414,567		1,414,567	1,317,317	(97,250)
TOTAL INDIRECT EXP.	3,323,406	-	3,323,406	3,102,524	(220,882)
NET REVENUE ABOVE EXPENSES	1,614,378	-	1,614,378	1,240,147	374,231
LESS ALLOCATION FOR CAPITAL REPLACEMENT	211,872		211,872	368,700	156,828
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	1,402,506	-	1,402,506	871,447	531,059

Comments:

June marks the end of the 7th fiscal year for the Arena, and concludes a fiscal year consistent with recent performance. As in the past, concerts continued to be the main economic device for the Arena. The Arena played host to 23 concerts (15.3% of total events), and contributed over 58% of the total event revenue for the fiscal year.

  
General Manager

  
Director of Finance



**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED JUNE 30, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2003, compared to budget and to the prior year:

<b>MONTH</b>	<b>June Actual</b>	<b>June Budget</b>	<b>June FY 2002</b>
Number of Events	5	2	7
Attendance	31,923	11,600	60,235
Direct Event Income	\$101,186	\$36,781	\$99,932
Ancillary Income	109,776	27,405	212,988
Other Income	316,063	159,576	323,681
Indirect Expenses	(407,258)	(258,740)	(382,619)
Net Income	\$119,768	(\$34,978)	\$253,982

<b>YTD</b>	<b>YTD 2003 Actual</b>	<b>YTD 2003 Budget</b>	<b>YTD 2002 Prior Year</b>
Number of Events	150	126	135
Attendance	774,789	772,050	777,499
Direct Event Income	\$1,305,695	\$1,125,019	\$1,311,105
Ancillary Income	1,548,957	1,302,548	1,600,401
Other Income	2,083,132	1,915,000	1,984,974
Indirect Expenses	(3,323,406)	(3,104,799)	(3,236,972)
Net Income	\$1,614,379	\$1,237,768	\$1,659,507
Less Capital	(\$211,872)	(\$235,700)	(\$404,212)
Net Income after Capital	\$1,402,506	\$1,002,068	\$1,255,296

**EVENT INCOME**

Event income performed better than budget due to the hosting of two very successful concerts, including Fleetwood Mac which became the second one day event to pass the \$1 Million mark in gross ticket sales.

**ANCILLARY INCOME**

In addition to hosting more than budgeted events, spending for the events hosted was above average which contributed to the large increase of revenue above expectations.

**INDIRECT EXPENSES**

Indirect expenses came in above budget due to summer projects in the operations department and the expensing of the SMG incentive fee that had previously been in the forecast column only.

VAN ANDEL ARENA  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 06/30/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	73,890	0	32,111	408,443	0	323,319
Sponsorship Income	0	0	0	0	0	37,000
Labor Billed	3,780	1,000	2,700	22,972	20,770	22,658
Changeover Setup Billed	16,049	6,000	19,671	155,452	110,550	155,961
Stagehands Billed	104,587	14,000	64,153	623,876	391,500	490,340
Security Billed	14,671	5,600	30,535	185,538	123,200	216,412
Ushers & Tix Takers Billed	14,303	4,950	19,898	153,231	112,700	154,157
Box Office Billed	1,548	400	1,720	12,105	12,750	14,065
Ticketing Service Billed	31,886	7,000	51,501	217,577	169,250	263,057
City Police Fire Billed	1,288	336	1,960	18,935	9,744	14,304
EMT Medical Billed	1,450	400	3,763	28,717	9,725	29,898
Production Materials Billed	0	0	0	0	0	205
Cleaning Billed	11,863	4,400	15,566	120,915	109,200	131,240
Insurance Billed	872	0	0	1,327	0	2,592
Group Sales Commissions Billed	0	0	0	5,565	0	3,171
Telephone Billed	2,300	450	3,145	33,850	21,085	27,860
Equipment Rental Billed	0	0	0	770	0	0
Damages Billed	0	0	0	150	0	0
Other Production Billed	125,932	4,000	41,164	515,726	181,250	327,884
<b>TOTAL SERVICE INCOME</b>	<b>404,421</b>	<b>48,536</b>	<b>287,886</b>	<b>2,505,149</b>	<b>1,271,724</b>	<b>2,214,122</b>
Advertising Expense	75,463	0	32,111	389,569	0	352,157
Sponsorship Expenses	0	0	0	0	0	2,800
Labor Wages	3,213	851	2,295	19,526	18,331	19,259
Contracted Changeover Setup Expense	18,013	5,455	29,671	301,452	228,922	291,666
Stagehand Wages	100,763	13,677	61,046	644,383	439,421	512,135
Contracted Security Expense	14,964	4,480	18,894	301,526	192,310	286,064
Contracted Ushers & T/T Expense	5,067	3,960	31,986	319,733	266,960	284,738
Ticket Sellers Wages	1,316	0	1,462	10,290	0	11,679
Ticket Service Charge Expense	27,586	7,000	72,607	193,098	194,000	260,619
City Police Fire Expense	1,100	336	1,960	19,523	12,494	12,904
EMT Medical Expense	1,033	347	<712>	35,434	22,920	46,699
Contracted Cleaning Expense	19,654	4,000	37,968	338,784	308,779	312,852
Insurance Expense	872	0	0	13,337	0	9,219
Allocated Telephone Expense	767	149	975	10,288	5,318	7,045
Production Expense	130,853	4,000	42,002	516,430	181,030	390,591
<b>TOTAL SERVICE EXPENSE</b>	<b>400,662</b>	<b>44,255</b>	<b>332,264</b>	<b>3,113,371</b>	<b>1,870,485</b>	<b>2,800,426</b>
<b>NET SERVICE INCOME</b>	<b>3,759</b>	<b>4,281</b>	<b>&lt;44,379&gt;</b>	<b>&lt;608,222&gt;</b>	<b>&lt;598,761&gt;</b>	<b>&lt;586,305&gt;</b>
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 06/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	97,428	32,500	144,311	1,913,917	1,723,780	1,897,410
SERVICES INCOME	3,759	4,281	<44,379>	<608,222>	<598,761>	<586,305>
TOTAL DIRECT EVENT INCOME	101,186	36,781	99,932	1,305,695	1,125,019	1,311,105
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	92,520	18,375	156,513	1,261,753	1,029,328	1,251,600
NOVELTY	17,256	9,030	52,343	236,030	230,840	301,583
ELECTRICAL	0	0	0	1,450	0	0
OTHER ANCILLARY	0	0	4,132	49,724	42,380	47,217
TOTAL ANCILLARY INCOME	109,776	27,405	212,988	1,548,957	1,302,548	1,600,401
TOTAL EVENT INCOME	210,962	64,186	312,920	2,854,652	2,427,567	2,911,506
OTHER OPERATING INCOME	316,063	159,576	323,681	2,083,132	1,915,000	1,984,974
ADJUSTED GROSS INCOME	527,026	223,762	636,601	4,937,784	4,342,567	4,896,480
INDIRECT EXPENSES						
EXECUTIVE	9,710	7,639	9,100	108,156	91,525	91,921
FINANCE	15,385	13,912	11,832	149,782	166,900	160,617
MARKETING	11,322	14,621	13,797	197,073	176,075	187,474
LUXURY SEATING	6,327	9,720	7,685	123,606	116,530	104,010
OPERATIONS	110,915	90,167	117,436	1,178,999	1,081,652	1,126,699
BOX OFFICE	4,491	9,838	9,186	115,436	118,100	113,993
SKYWALK ADMINISTRATION	2,139	3,062	<733>	35,787	36,700	31,672
OVERHEAD	246,969	109,781	214,317	1,414,567	1,317,317	1,420,586
INDIRECT EXPENSES	407,258	258,740	382,619	3,323,406	3,104,799	3,236,972
NET OPERATING INCOME	119,768	<34,978>	253,982	1,614,378	1,237,768	1,659,508
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	8,601	0	199,997	211,872	0	404,212
OTHER EXPENSES	8,601	0	199,997	211,872	0	404,212
NET INCOME (LOSS)	111,167	<34,978>	53,985	1,402,506	1,237,768	1,255,296
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 06/30/03

ASSETS

CURRENT ASSETS

CASH	3,902,983
ACCOUNTS RECEIVABLE	609,004
PREPAID EXPENSES	108,223

TOTAL CURRENT ASSETS	4,620,210
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FIXED ASSETS

TOTAL ASSETS	4,620,210
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	162,517
ACCRUED EXPENSES	476,247
DEFERRED INCOME	684,805
ADVANCED TIX SALES & DEPOSITS	1,492,354

TOTAL CURRENT LIABILITIES	2,815,923
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EQUITY

FUNDS REMITTED	<2,040,841>
FUNDING RECEIVED	618,520
RETAINED EARNINGS	1,824,109
NET INCOME (LOSS)	1,402,500

TOTAL EQUITY	1,804,288
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TOTAL LIABILITIES & EQUITY	4,620,210
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VAN ANDEL ARENA  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 06/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	51,510	47,849	41,291	584,588	574,100	529,027
Part-Time	1,948	2,857	4,389	75,669	34,775	74,559
Wages-Trade	107,831	75,286	80,047	928,931	903,421	804,137
Auto Allowance	777	0	0	5,440	0	0
Auto Expense	0	815	777	3,885	9,725	9,079
Taxes & Benefits	38,109	31,357	27,237	383,908	376,361	297,307
Less: Allocation/Reimbursement	<110,194>	<71,652>	<74,558>	<855,196>	<860,000>	<660,443>
<b>TOTAL LABOR COSTS</b>	<b>89,980</b>	<b>86,512</b>	<b>79,182</b>	<b>1,127,226</b>	<b>1,038,382</b>	<b>1,053,666</b>
Contracted Security	27,635	17,087	18,117	224,339	205,000	198,117
Contracted Cleaning	2,098	2,163	0	25,176	26,000	24,370
Other Contracted Services	384	300	628	3,937	3,600	3,977
Travel & Entertainment	1,339	438	383	9,926	5,300	10,319
Corporate Travel	0	625	0	3,395	7,500	1,884
Meetings & Conventions	0	1,087	3,275	6,346	13,000	11,706
Dues & Subscriptions	0	112	42	3,859	1,300	3,125
Employee Training	<125>	1,000	32	1,339	12,000	2,533
Miscellaneous Expense	0	0	0	62	0	0
Computer Expense	7,619	5,413	7,543	54,918	65,000	88,501
Professional Fees	4,448	2,163	4,457	30,191	26,000	32,851
Marketing & Advertising	946	8,250	6,460	107,891	99,000	93,068
Box Office Expenses	<2,591>	0	37	<2,795>	0	1,542
Small Equipment	462	0	0	3,560	0	1,687
Trash Removal	1,375	1,250	1,744	21,239	15,000	17,605
Equipment Rental	1,345	1,300	3,071	17,688	15,600	18,934
Landscaping	0	288	0	0	3,500	10,257
Exterminating	0	337	495	2,723	4,000	2,970
Cleaning	0	450	0	8,739	5,400	2,810
Safety Equipment	0	0	0	0	0	248
Repairs & Maintenance	13,027	10,674	39,668	129,205	128,000	119,741
Supplies	29,744	15,099	13,978	200,347	181,100	213,851
Bad Debt Expense	0	0	6,717	0	0	6,717
Bank Service Charges	592	1,000	731	9,275	12,000	12,992
Insurance	13,825	11,980	34,950	150,212	143,617	150,500
Licenses & Fees	0	0	0	69	0	0
Other Taxes	0	300	0	0	3,600	69
Printing & Stationary	5,248	1,913	288	10,892	23,000	5,663
Office Supplies	2,149	1,000	1,688	14,711	12,000	17,211
Postage	237	1,000	1,309	10,691	12,000	8,201
Parking Expense	255	1,588	1,793	20,093	19,100	19,897
Telephone Long Distance	3,194	4,587	7,376	50,840	55,000	52,613
Utilities	49,435	64,574	32,915	751,183	774,800	711,425
Base Fee	18,956	19,500	18,750	227,475	234,000	225,000
Incentive Fee	138,344	0	99,159	138,344	0	144,159
Amortization	0	0	0	0	0	5,737
Common Area Expense	<1,897>	<2,875>	<1,164>	<28,836>	<34,500>	<29,901>
Less: Allocated/Reimbursement	<767>	<375>	<975>	<10,854>	<4,500>	<7,045>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>317,278</b>	<b>172,228</b>	<b>303,466</b>	<b>2,196,180</b>	<b>2,066,417</b>	<b>2,183,334</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>407,258</b>	<b>258,740</b>	<b>382,648</b>	<b>3,323,406</b>	<b>3,104,799</b>	<b>3,237,000</b>

**SMG - Van Andel Arena & Grand Center**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2003**

**CAPITAL IMPROVEMENTS**

	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Skywalk Ice Melt System	42,000	20,610	21,390	Closed
Terazzo Floor Repair	38,000		38,000	Delay to F/Y 05
Banquet Room Refurbishment	25,000		25,000	Delay to F/Y 04
Hydraulic Seating Section	70,000		70,000	Delay to F/Y 05
Hockey Glass	20,000	16,750	3,250	Closed
Safety Nets		67,056	(67,056)	Closed
Floor Maintenance Equipment	18,500	13,992	4,508	Closed
Lobby Duct Painting	35,000	14,140	20,860	Closed
Security Gate System	120,200	79,324	40,876	Closed
<b>Total Arena</b>	<b>368,700</b>	<b>211,872</b>	<b>156,828</b>	
<b>Grand Center</b>				
Refinish DeVos Stage Floor	50,000		50,000	Delay to F/Y 05
Cyclorama for DeVos Stage House	12,000	4,528	7,472	Closed
<b>Total Grand Center</b>	<b>62,000</b>	<b>4,528</b>	<b>57,472</b>	
<b>Grand Total Capital Improvements</b>	<b>430,700</b>	<b>216,399</b>	<b>214,301</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Net Revenue above Expenses	1,614,378	(208,526)	1,405,852	1,599,391
Benchmark	1,567,050	(359,972)	1,207,078	1,043,839
Excess	47,328	151,446	198,774	555,552

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Base Fee	227,475	227,475	454,950	450,000
Incentive Fee				
Revenue	4,937,784	2,169,768	7,107,552	7,066,354
Benchmark Revenue	4,246,112	1,991,859	6,237,971	5,969,444
Revenue Excess	691,672	177,909	869,581	1,096,910
Incentive Fee **	138,334	35,582	173,916	224,228
<b>Total SMG Management Fee</b>	<b>365,809</b>	<b>263,057</b>	<b>628,866</b>	<b>674,228</b>

\*\* Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.

# DEVOS PLACE

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED JULY 31, 2003

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



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*An SMG Managed Facility*

DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2004

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	3	289	292	292	-
ATTENDANCE	940	556,135	557,075	557,075	-
DIRECT EVENT REVENUE	4,108	1,402,666	1,406,774	1,406,774	-
ANCILLARY REVENUE	3,399	788,785	792,184	792,184	-
TOTAL EVENT REVENUE	7,507	2,191,451	2,198,958	2,198,958	-
TOTAL OTHER REVENUE	1,563	180,437	182,000	182,000	-
TOTAL OPERATING REVENUE	9,070	2,371,888	2,380,958	2,380,958	-
INDIRECT EXPENSES					
EXECUTIVE	9,543	102,665	112,208	112,208	-
FINANCE	14,499	184,212	198,711	198,711	-
MARKETING	2,325	74,114	76,439	76,439	-
OPERATIONS	23,204	776,143	799,347	799,347	-
EVENT SERVICES	28,528	719,732	748,260	748,260	-
BOX OFFICE	3,875	77,769	81,644	81,644	-
SALES	9,354	123,834	133,188	133,188	-
OVERHEAD	64,245	1,765,339	1,829,584	1,829,584	-
TOTAL OPERATING EXP.	155,573	3,823,808	3,979,381	3,979,385	-
NET REVENUE ABOVE EXPENSES	(146,503)	(1,451,920)	(1,598,423)	(1,598,427)	-
CAPITAL					-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(146,503)	(1,451,920)	(1,598,423)	(1,598,427)	-

Comments:

July begins the first fiscal year for DeVos Place. July met expectations given the limited space and the closing of the Theater.

  
General Manager

  
Finance Director



**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED JULY 31, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2004, compared to budget and to the prior year:

<b>MONTH</b>	<b>July Actual</b>	<b>July Budget</b>	<b>July FY 2003</b>
Number of Events	3	1	28
Attendance	940	500	5,400
Direct Event Income	\$4,108	\$1,664	\$144,536
Ancillary Income	3,399	803	23,416
Other Income	1,563	15,166	6,152
Indirect Expenses	(155,573)	(245,301)	(142,818)
Net Income	(\$146,503)	(\$227,668)	\$31,286

<b>YTD</b>	<b>YTD 2004 Actual</b>	<b>YTD 2004 Budget</b>	<b>YTD 2003 Prior Year</b>
Number of Events	3	1	28
Attendance	940	500	5,400
Direct Event Income	\$4,108	\$1,664	\$144,536
Ancillary Income	3,399	803	23,416
Other Income	1,563	15,166	6,152
Indirect Expenses	(155,573)	(245,301)	(142,818)
Net Income	(\$146,503)	(\$227,668)	\$31,286

Less Capital

Net Income after Capital	(\$146,503)	(\$227,668)	\$31,286
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**EVENT INCOME**

Event income came in higher than expected due to hosting an additional small show for two days during the month.

**ANCILLARY INCOME**

Ancillary income came in higher than expected due to concessions revenue when the budgeted event was not anticipated to have concessions open.

**INDIRECT EXPENSES**

Indirect expenses came in at expected levels for the month.

GRAND CENTER  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 07/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	5,225	2,625	148,815	5,225	2,625	148,815
SERVICES INCOME	<1,117>	<961>	<4,280>	<1,117>	<961>	<4,280>
TOTAL DIRECT EVENT INCOME	4,108	1,664	144,536	4,108	1,664	144,536
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	1,868	0	5,592	1,868	0	5,592
ELECTRICAL	0	0	84	0	0	84
OTHER ANCILLARY	1,530	803	17,740	1,530	803	17,740
TOTAL ANCILLARY INCOME	3,399	803	23,416	3,399	803	23,416
TOTAL EVENT INCOME	7,507	2,467	167,952	7,507	2,467	167,952
OTHER OPERATING INCOME	1,563	15,166	6,152	1,563	15,166	6,152
ADJUSTED GROSS INCOME	9,070	17,633	174,104	9,070	17,633	174,104
INDIRECT EXPENSES						
EXECUTIVE	9,543	9,352	6,860	9,543	9,352	6,860
FINANCE	14,499	16,559	11,021	14,499	16,559	11,021
MARKETING	2,325	6,370	2,448	2,325	6,370	2,448
OPERATIONS	23,204	62,507	24,719	23,204	62,507	24,719
EVENT MANAGEMENT	28,528	49,534	33,473	28,528	49,534	33,473
BOX OFFICE	3,875	6,802	5,351	3,875	6,802	5,351
SALES	9,354	11,100	0	9,354	11,100	0
OVERHEAD	64,245	83,077	58,947	64,245	83,077	58,947
INDIRECT EXPENSES	155,573	245,301	142,818	155,573	245,301	142,818
NET OPERATING INCOME	<146,503>	<227,668>	31,287	<146,503>	<227,668>	31,287
OTHER EXPENSES						
NET INCOME (LOSS)	<146,503>	<227,668>	31,287	<146,503>	<227,668>	31,287
	=====	=====	=====	=====	=====	=====

GRAND CENTER  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 07/31/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Stagehands Billed	5,001	1,300	10,542	5,001	1,300	10,542
Security Billed	0	0	842	0	0	842
Ushers & Tix Takers Billed	83	0	1,998	83	0	1,998
Box Office Billed	0	0	950	0	0	950
EMT Medical Billed	0	0	495	0	0	495
Telephone Billed	0	0	2,615	0	0	2,615
Other Production Billed	2	0	120	2	0	120
<b>TOTAL SERVICE INCOME</b>	<b>5,086</b>	<b>1,300</b>	<b>17,561</b>	<b>5,086</b>	<b>1,300</b>	<b>17,561</b>
Labor Wages	0	1,000	0	0	1,000	0
Stagehand Wages	4,779	1,261	10,188	4,779	1,261	10,188
Contracted Security Expense	0	0	842	0	0	842
Ushers & T/T Wages	58	0	1,399	58	0	1,399
Ticket Sellers Wages	0	0	398	0	0	398
Traffic Control Expense	0	0	346	0	0	346
EMT Medical Expense	0	0	369	0	0	369
Cleaning Wages	1,178	0	8,262	1,178	0	8,262
Production Expense	187	0	37	187	0	37
<b>TOTAL SERVICE EXPENSE</b>	<b>6,203</b>	<b>2,261</b>	<b>21,841</b>	<b>6,203</b>	<b>2,261</b>	<b>21,841</b>
<b>NET SERVICE INCOME</b>	<b>&lt;1,117&gt;</b>	<b>&lt;961&gt;</b>	<b>&lt;4,280&gt;</b>	<b>&lt;1,117&gt;</b>	<b>&lt;961&gt;</b>	<b>&lt;4,280&gt;</b>
	=====	=====	=====	=====	=====	=====

**DE VOS PLACE**  
**STATEMENT OF FINANCIAL POSITION**  
**JULY 31, 2003**

**A S S E T S**

**CURRENT ASSETS:**

CASH	1,326,283	
ACCOUNTS RECEIVABLE	192,517	
PREPAID EXPENSES	97,198	
TOTAL CURRENT ASSETS		1,615,999

**INTANGIBLE ASSETS**

CONTRACT RIGHTS		
TOTAL INTANGIBLE ASSETS		-

TOTAL ASSETS		<u>1,615,999</u>
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**LIABILITY & EQUITY**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE	158,849	
ACCRUED EXPENSES	142,102	
ADVANCED DEPOSITS	163,855	
REFUND LIABILITY	7,260	
ADVANCED TICKET SALES	8,903	
TOTAL CURRENT LIAB.		480,969

**FUND EQUITY**

FUNDING TO CITY - CASH	-	
FUNDING FROM CITY - NON CASH	-	
CURRENT YEAR EARNINGS	(146,503)	
AMOUNT DUE CAA	1,281,533	
TOTAL FUND EQUITY		<u>1,135,030</u>

TOTAL LIAB & EQUITY		<u>1,615,999</u>
---------------------	--	------------------

GRAND CENTER  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 07/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	51,387	81,937	43,303	51,387	81,937	43,303
Part-Time	3,183	11,295	4,732	3,183	11,295	4,732
Wages-Trade	18,578	94,699	33,595	18,578	94,699	33,595
Auto Allowance	1,971	0	0	1,971	0	0
Auto Expense	150	2,271	1,521	150	2,271	1,521
Taxes & Benefits	17,042	46,930	16,812	17,042	46,930	16,812
Less: Allocation/Reimbursement	<18,032>	<115,718>	<31,198>	<18,032>	<115,718>	<31,198>
<b>TOTAL LABOR COSTS</b>	<b>74,279</b>	<b>121,414</b>	<b>68,764</b>	<b>74,279</b>	<b>121,414</b>	<b>68,764</b>
Contracted Security	4,684	0	6,092	4,684	0	6,092
Other Contracted Services	0	183	186	0	183	186
Travel & Entertainment	499	1,209	0	499	1,209	0
Corporate Travel	221	833	0	221	833	0
Meetings & Conventions	1,495	2,000	0	1,495	2,000	0
Dues & Subscriptions	0	42	0	0	42	0
Employee Training	0	833	0	0	833	0
Computer Expense	2,510	5,417	2,429	2,510	5,417	2,429
Professional Fees	3,568	2,625	1,650	3,568	2,625	1,650
Marketing & Advertising	1,077	2,967	0	1,077	2,967	0
Box Office Expenses	0	0	54	0	0	54
Trash Removal	0	1,000	116	0	1,000	116
Equipment Rental	43	500	153	43	500	153
Landscaping	0	0	<69>	0	0	<69>
Exterminating	0	0	375	0	0	375
Construction Costs	3,207	3,200	0	3,207	3,200	0
Repairs & Maintenance	1,111	12,084	6,402	1,111	12,084	6,402
Supplies	5,758	14,667	529	5,758	14,667	529
Bank Service Charges	642	750	590	642	750	590
Insurance	3,690	18,010	3,830	3,690	18,010	3,830
Printing & Stationary	0	625	0	0	625	0
Office Supplies	113	625	896	113	625	896
Postage	10	417	<222>	10	417	<222>
Parking Expense	1,616	2,000	1,321	1,616	2,000	1,321
Telephone Long Distance	2,096	4,375	262	2,096	4,375	262
Utilities	30,000	30,000	30,709	30,000	30,000	30,709
Base Fee	18,956	19,525	18,750	18,956	19,525	18,750
<b>TOTAL MATERIAL AND SERVICES</b>	<b>81,294</b>	<b>123,887</b>	<b>74,053</b>	<b>81,294</b>	<b>123,887</b>	<b>74,053</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>155,573</b>	<b>245,301</b>	<b>142,818</b>	<b>155,573</b>	<b>245,301</b>	<b>142,818</b>

**SMG - Van Andel Arena & DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2004**

<b>CAPITAL IMPROVEMENTS</b>				
	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Security System Upgrades	30,000		30,000	Open
Phone System Upgrades	15,000		15,000	Open
Ice Deck Cover	100,000		100,000	Open
Speaker System - Main Entrance	15,000		15,000	Open
Banquet Room - Interior	25,000		25,000	Open
<b>Total Arena</b>	<b>185,000</b>	<b>-</b>	<b>185,000</b>	
<b>Grand Center</b>				
<b>Total Grand Center</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total Capital Improvements</b>	<b>185,000</b>	<b>-</b>	<b>185,000</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2003 Act/Est
Net Revenue above Expenses	1,493,522	(1,598,423)	(104,901)	1,294,951
Benchmark	1,599,958	(1,598,423)	1,535	1,206,573
Excess	(106,436)	-	(106,436)	88,378
Incentive Fee Calculation (Only if above greater than zero)				
	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Base Fee	234,300	234,300	468,600	454,950
Incentive Fee				
Revenue	4,741,584	2,378,432	7,120,016	7,107,552
Benchmark Revenue	4,335,280	2,378,432	6,713,712	6,237,971
Revenue Excess	406,304	-	406,304	869,581
Incentive Fee **	-	-	81,261	173,916
<b>Total SMG Management Fee</b>	<b>234,300</b>	<b>234,300</b>	<b>549,861</b>	<b>628,866</b>

\*\* Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.



# **VAN ANDEL ARENA**

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED JULY 31, 2003**

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority  
Robert White  
Glen Mon  
Bob Johnson  
Gary McAneney  
John Szudzik  
Richard MacKeigan  
Chris Machuta



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*An SMG Managed Facility*

VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2004

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	1	132	133	133	-
ATTENDANCE	10,945	741,295	752,240	752,240	-
DIRECT EVENT INCOME	64,668	1,170,854	1,235,522	1,235,522	-
ANCILLARY INCOME	31,752	1,559,310	1,591,062	1,591,062	-
TOTAL EVENT INCOME	96,420	2,730,164	2,826,584	2,826,584	-
TOTAL OTHER INCOME	142,100	1,772,900	1,915,000	1,915,000	-
TOTAL INCOME	238,520	4,503,064	4,741,584	4,741,584	-
INDIRECT EXPENSES					
EXECUTIVE	8,703	91,906	100,609	100,609	-
FINANCE	11,868	178,409	190,277	190,277	-
MARKETING	17,930	190,523	208,453	208,453	-
OPERATIONS	66,956	1,110,465	1,177,421	1,177,421	-
BOX OFFICE	7,386	106,977	114,363	114,363	-
LUXURY SEATING	9,860	108,132	117,992	117,992	-
SKYWALK ADMIN	3,798	32,348	36,146	36,146	-
OVERHEAD	84,044	1,248,757	1,332,801	1,332,801	-
TOTAL INDIRECT EXP.	210,545	3,067,517	3,278,062	3,278,062	-
NET REVENUE ABOVE EXPENSES	27,975	1,435,547	1,463,522	1,463,522	-
LESS ALLOCATION FOR CAPITAL REPLACEMENT			-		-
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	27,975	1,435,547	1,463,522	1,463,522	-

Comments:

July starts a new fiscal year for the Arena. The Arena, while starting slowly with only one event hosted, started with a very successful sold out Cher concert.

  
General Manager

  
Director of Finance



**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED JULY 31, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2004, compared to budget and to the prior year:

<b>MONTH</b>	<b>June Actual</b>	<b>June Budget</b>	<b>June FY 2003</b>
Number of Events	1	3	4
Attendance	10,945	24,000	19,845
Direct Event Income	\$64,668	\$104,837	\$127,399
Ancillary Income	31,752	91,350	96,277
Other Income	142,100	159,584	159,367
Indirect Expenses	(210,545)	(271,755)	(212,996)
Net Income	\$27,975	\$84,016	\$170,047

<b>YTD</b>	<b>YTD 2004 Actual</b>	<b>YTD 2004 Budget</b>	<b>YTD 2003 Prior Year</b>
Number of Events	1	3	4
Attendance	10,945	24,000	19,845
Direct Event Income	\$64,668	\$104,837	\$127,399
Ancillary Income	31,752	91,350	96,277
Other Income	142,100	159,584	159,367
Indirect Expenses	(210,545)	(271,755)	(212,996)
Net Income	\$27,975	\$84,016	\$170,046

Less Capital

Net Income after Capital	\$27,975	\$84,016	\$170,047
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**EVENT INCOME**

Event income came in below expected levels for the month as the Arena was expected to host three concerts during the month. However, the Cher concert that was hosted was sold out and a very successful start to the new year.

**ANCILLARY INCOME**

Ancillary income came in below expected levels for the month due to less events hosted. The spending on the Cher concert was consistent with the 2004 budget for a concert.

**INDIRECT EXPENSES**

Indirect expenses came in below expected levels for the month.

VAN ANDEL ARENA  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 07/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	58,187	93,000	125,300	58,187	93,000	125,300
SERVICES INCOME	6,480	11,837	2,099	6,480	11,837	2,099
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	64,668	104,837	127,399	64,668	104,837	127,399
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	23,114	66,150	60,351	23,114	66,150	60,351
NOVELTY	8,638	25,200	34,386	8,638	25,200	34,386
OTHER ANCILLARY	0	0	1,540	0	0	1,540
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	31,752	91,350	96,277	31,752	91,350	96,277
	-----	-----	-----	-----	-----	-----
TOTAL EVENT INCOME	96,420	196,187	223,675	96,420	196,187	223,675
OTHER OPERATING INCOME	142,100	159,584	159,367	142,100	159,584	159,367
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	238,520	355,771	383,042	238,520	355,771	383,042
INDIRECT EXPENSES						
EXECUTIVE	8,703	8,258	5,392	8,703	8,258	5,392
FINANCE	11,868	15,732	11,958	11,868	15,732	11,958
MARKETING	17,930	17,456	11,862	17,930	17,456	11,862
LUXURY SEATING	9,860	9,832	6,812	9,860	9,832	6,812
OPERATIONS	66,956	98,117	74,727	66,956	98,117	74,727
BOX OFFICE	7,386	8,281	6,499	7,386	8,281	6,499
SKYWALK ADMINISTRATION	3,798	3,013	3,795	3,798	3,013	3,795
OVERHEAD	84,044	111,066	91,951	84,044	111,066	91,951
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	210,545	271,755	212,996	210,545	271,755	212,996
	-----	-----	-----	-----	-----	-----
NET OPERATING INCOME	27,975	84,016	170,047	27,975	84,016	170,047
OTHER EXPENSES						
-----						
NET INCOME (LOSS)	27,975	84,016	170,047	27,975	84,016	170,047
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 07/31/03

	CURRENT			YEAR TO DATE		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	19,797	0	40,786	19,797	0	40,786
Labor Billed	540	1,620	1,672	540	1,620	1,672
Changeover Setup Billed	3,280	9,900	13,538	3,280	9,900	13,538
Stagehands Billed	15,194	42,000	82,120	15,194	42,000	82,120
Security Billed	7,033	18,000	21,754	7,033	18,000	21,754
Ushers & Tix Takers Billed	3,922	10,500	9,385	3,922	10,500	9,385
Box Office Billed	387	1,200	1,290	387	1,200	1,290
Ticketing Service Billed	16,046	24,000	22,972	16,046	24,000	22,972
City Police Fire Billed	280	1,008	1,456	280	1,008	1,456
EMT Medical Billed	600	1,800	3,400	600	1,800	3,400
Cleaning Billed	3,262	10,800	9,946	3,262	10,800	9,946
Telephone Billed	1,300	2,400	4,745	1,300	2,400	4,745
Other Production Billed	10,457	12,000	48,088	10,457	12,000	48,088
<b>TOTAL SERVICE INCOME</b>	<b>82,097</b>	<b>135,228</b>	<b>261,151</b>	<b>82,097</b>	<b>135,228</b>	<b>261,151</b>
Advertising Expense	20,685	0	38,229	20,685	0	38,229
Labor Wages	459	1,377	1,421	459	1,377	1,421
Contracted Changeover Setup Expense	2,834	9,000	22,098	2,834	9,000	22,098
Stagehand Wages	14,568	41,031	80,529	14,568	41,031	80,529
Contracted Security Expense	5,993	14,400	13,815	5,993	14,400	13,815
Contracted Ushers & T/T Expense	3,555	8,400	15,088	3,555	8,400	15,088
Ticket Sellers Wages	329	0	1,097	329	0	1,097
Ticket Service Charge Expense	12,759	24,000	18,758	12,759	24,000	18,758
City Police Fire Expense	280	1,008	1,456	280	1,008	1,456
EMT Medical Expense	391	1,565	2,550	391	1,565	2,550
Contracted Cleaning Expense	3,073	9,818	16,344	3,073	9,818	16,344
Allocated Telephone Expense	433	792	1,508	433	792	1,508
Production Expense	10,257	12,000	46,159	10,257	12,000	46,159
<b>TOTAL SERVICE EXPENSE</b>	<b>75,617</b>	<b>123,391</b>	<b>259,052</b>	<b>75,617</b>	<b>123,391</b>	<b>259,052</b>
<b>NET SERVICE INCOME</b>	<b>6,480</b>	<b>11,837</b>	<b>2,099</b>	<b>6,480</b>	<b>11,837</b>	<b>2,099</b>

**VAN ANDEL ARENA  
STATEMENT OF FINANCIAL POSITION  
FOR MONTH ENDED JULY 31, 2003**

**ASSETS**

**CURRENT ASSETS:**

CASH	4,612,647	
ACCOUNTS RECEIVABLE	1,934,055	
PREPAID EXPENSES	130,654	
TOTAL CURRENT ASSETS	<u>                    </u>	6,677,355

**INTANGIBLE ASSETS**

CONTRACT RIGHTS	-	
TOTAL INTANGIBLE ASSETS	<u>                    </u>	-

TOTAL ASSETS		<u><u>6,677,356</u></u>
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**LIABILITY & EQUITY**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE	598,660	
ACCRUED EXPENSES	504,959	
DEFERRED INCOME	2,303,187	
ADVANCED TICKET SALES	1,383,848	
TOTAL CURRENT LIAB.	<u>                    </u>	4,790,654

**FUND EQUITY**

FUNDS REMITTED	-	
FUNDING RECEIVED FROM CAA	54,440	
CURRENT YEAR EARNINGS	27,975	
AMOUNT DUE CAA	1,804,287	
TOTAL FUND EQUITY	<u>                    </u>	1,886,702

TOTAL LIAB & EQUITY		<u><u>6,677,356</u></u>
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VAN ANDEL ARENA  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 07/31/03

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	46,736	43,608	43,261	46,736	43,608	43,261
Part-Time	1,529	2,918	2,826	1,529	2,918	2,826
Wages-Trade	36,016	78,186	94,143	36,016	78,186	94,143
Auto Allowance	577	0	0	577	0	0
Auto Expense	300	835	777	300	835	777
Taxes & Benefits	22,400	33,656	30,109	22,400	33,656	30,109
Less: Allocation/Reimbursement	<26,640>	<62,917>	<93,696>	<26,640>	<62,917>	<93,696>
<b>TOTAL LABOR COSTS</b>	<b>80,917</b>	<b>96,286</b>	<b>77,421</b>	<b>80,917</b>	<b>96,286</b>	<b>77,421</b>
Contracted Security	20,132	19,583	18,294	20,132	19,583	18,294
Contracted Cleaning	2,302	2,167	4,196	2,302	2,167	4,196
Other Contracted Services	314	300	344	314	300	344
Travel & Entertainment	1,086	325	367	1,086	325	367
Corporate Travel	0	625	0	0	625	0
Meetings & Conventions	0	625	0	0	625	0
Dues & Subscriptions	1,048	208	0	1,048	208	0
Employee Training	39	1,000	0	39	1,000	0
Computer Expense	1,947	5,417	1,839	1,947	5,417	1,839
Professional Fees	2,000	2,167	1,500	2,000	2,167	1,500
Marketing & Advertising	11,166	8,250	3,443	11,166	8,250	3,443
Box Office Expenses	<11>	0	<2>	<11>	0	<2>
Trash Removal	998	1,250	1,603	998	1,250	1,603
Equipment Rental	2,199	1,300	1,185	2,199	1,300	1,185
Landscaping	0	292	0	0	292	0
Exterminating	0	333	248	0	333	248
Cleaning	0	450	0	0	450	0
Repairs & Maintenance	1,491	10,666	5,415	1,491	10,666	5,415
Supplies	2,977	15,091	8,617	2,977	15,091	8,617
Bank Service Charges	431	1,000	688	431	1,000	688
Insurance	4,148	13,699	9,362	4,148	13,699	9,362
Printing & Stationary	0	1,917	0	0	1,917	0
Office Supplies	162	1,000	0	162	1,000	0
Postage	201	1,000	169	201	1,000	169
Parking Expense	3,706	1,592	2,348	3,706	1,592	2,348
Telephone Long Distance	1,671	4,583	5,603	1,671	4,583	5,603
Utilities	54,572	64,150	56,728	54,572	64,150	56,728
Base Fee	18,956	19,525	18,500	18,956	19,525	18,500
Common Area Expense	<1,471>	<2,671>	<3,365>	<1,471>	<2,671>	<3,365>
Less: Allocated/Reimbursement	<433>	<375>	<1,508>	<433>	<375>	<1,508>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>129,628</b>	<b>175,469</b>	<b>135,575</b>	<b>129,628</b>	<b>175,469</b>	<b>135,575</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>210,545</b>	<b>271,755</b>	<b>212,996</b>	<b>210,545</b>	<b>271,755</b>	<b>212,996</b>

**SMG - Van Andel Arena & DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2004**

**CAPITAL IMPROVEMENTS**

	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Security System Upgrades	30,000		30,000	Open
Phone System Upgrades	15,000		15,000	Open
Ice Deck Cover	100,000		100,000	Open
Speaker System - Main Entrance	15,000		15,000	Open
Banquet Room - Interior	25,000		25,000	Open
<b>Total Arena</b>	<b>185,000</b>	<b>-</b>	<b>185,000</b>	
<b>Grand Center</b>				
<b>Total Grand Center</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total Capital Improvements</b>	<b>185,000</b>	<b>-</b>	<b>185,000</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2003 Act/Est
Net Revenue above Expenses	1,493,522	(1,598,423)	(104,901)	1,294,951
Benchmark	1,599,958	(1,598,423)	1,535	1,206,573
Excess	(106,436)	-	(106,436)	88,378

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Base Fee	234,300	234,300	468,600	454,950
Incentive Fee				
Revenue	4,741,584	2,378,432	7,120,016	7,107,552
Benchmark Revenue	4,335,280	2,378,432	6,713,712	6,237,971
Revenue Excess	406,304	-	406,304	869,581
Incentive Fee **	-	-	81,261	173,916
<b>Total SMG Management Fee</b>	<b>234,300</b>	<b>234,300</b>	<b>549,861</b>	<b>628,866</b>

\*\* Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.

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

*PRELIMINARY FINANCIAL STATEMENTS*

*Twelve Months Ended June 30, 2003*



## ACCOUNTANTS' REPORT

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

We have compiled the accompanying preliminary statements of net assets and cash receipts and disbursements - budget to actual for the operating account and construction accounts of the Grand Rapids - Kent County Convention / Arena Authority for the twelve months ended June 30, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These statements do not include the cash receipts and disbursements of the Van Andel Arena and Grand Center which are operated by the Authority. The financial statements presented have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Beene Garter LLP*

August 11, 2003  
Grand Rapids, Michigan

BEENE GARTER LLP  
50 MONROE NW  
SUITE 600  
GRAND RAPIDS  
MICHIGAN  
49503-2679

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**PRELIMINARY FINANCIAL STATEMENTS**

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# Statement A

## GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Preliminary Statement of Net Assets

June 30, 2003

<b>ASSETS</b>	<b>CONSTRUCTION</b>	<b>OPERATING</b>	<b>TOTAL</b>
<b>Current Assets:</b>			
Cash and Equivalents - Authority	\$ 18,233,694	\$ 1,739,440	\$ 19,973,134
Cash and Equivalents - Facility	-	3,620,013	3,620,013
Investments	19,919,269	-	19,919,269
Receivables, Net	-	1,232,040	1,232,040
Prepaid Expenses	-	117,750	117,750
Contract Rights	-	5,737	5,737
<b>Total Current Assets</b>	<b>38,152,963</b>	<b>6,714,980</b>	<b>44,867,943</b>
<b>Noncurrent Assets:</b>			
Capital Assets:			
Construction in Progress	56,229,162	3,507	56,232,669
<b>Total Noncurrent Assets</b>	<b>56,229,162</b>	<b>3,507</b>	<b>56,232,669</b>
<b>TOTAL ASSETS</b>	<b>94,382,125</b>	<b>6,718,487</b>	<b>101,100,612</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	-	643,033	643,033
Accrued Expenses	-	418,296	418,296
Advance Ticket Sales	-	1,079,206	1,079,206
Advance Deposits	-	202,952	202,952
Deferred Facility Income	-	441,506	441,506
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>2,784,993</b>	<b>2,784,993</b>
<b>NET ASSETS</b>			
Invested in Capital Assets	56,229,162	3,507	56,232,669
Fund Balance	38,152,963	3,929,987	42,082,950
<b>TOTAL NET ASSETS</b>	<b>\$ 94,382,125</b>	<b>\$ 3,933,494</b>	<b>\$ 98,315,619</b>

## Statement B

### GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Preliminary Statement of Cash Receipts and Disbursements - Budget to Actual (Operations) From July 1, 2002 to June 30, 2003

	OPERATING ACCOUNT			
	Facilities Operations		Capital Replacement	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Facility Operations	\$ 2,170,975	\$ 2,040,841	\$ -	\$ -
Land Lease	107,772	348,471	-	-
Interest on Investments	34,880	18,829	25,120	11,059
Capital Replacement Reserve Transfer	184,418	-	(184,418)	-
Miscellaneous Revenue	-	6,007	-	-
<b>TOTAL RECEIPTS</b>	<b>2,498,045</b>	<b>2,414,148</b>	<b>(159,298)</b>	<b>11,059</b>
<b>DISBURSEMENTS</b>				
Accounting / Auditing Services	25,635	25,554	-	-
Insurance - Property and Liability	33,050	27,749	-	-
Legal Services	33,550	28,315	-	-
Other Contractual Services	43,000	36,984	-	-
Facility Management Fees	-	224,228	-	-
Meeting Expense	890	662	-	-
Supplies	1,350	221	-	-
Transfer to Construction Account	1,000,000	1,000,000	-	-
<b>Sub-total Service Disbursements</b>	<b>1,137,475</b>	<b>1,343,712</b>	<b>-</b>	<b>-</b>
Electricity	727,000	722,476	-	-
Steam	471,000	522,179	-	-
Water and Sewer	92,800	72,387	-	-
<b>Sub-total Utility Disbursements</b>	<b>1,290,800</b>	<b>1,317,042</b>	<b>-</b>	<b>-</b>
Building Additions and Improvements	-	-	380,200	-
Facility Equipment Acquisition	-	-	50,500	-
<b>Sub-total Capital Disbursements</b>	<b>-</b>	<b>-</b>	<b>430,700</b>	<b>-</b>
Employee Wages	52,240	52,000	-	-
Employee Benefits	17,530	15,028	-	-
<b>Sub-total Payroll Disbursements</b>	<b>69,770</b>	<b>67,028</b>	<b>-</b>	<b>-</b>
<b>TOTAL DISBURSEMENTS</b>	<b>2,498,045</b>	<b>2,727,782</b>	<b>430,700</b>	<b>-</b>
<b>Excess / (Deficit) of Funds</b>	<b>\$ -</b>	<b>\$ (313,634)</b>	<b>\$ (589,998)</b>	<b>\$ 11,059</b>
<b>Total Net Assets - Beginning of Year</b>	<b>3,000,000</b>	<b>2,418,567</b>	<b>1,236,069</b>	<b>1,817,502</b>
<b>Total Net Assets - End of Year</b>	<b>\$ 3,000,000</b>	<b>\$ 2,104,933</b>	<b>\$ 646,071</b>	<b>\$ 1,828,561</b>
	See Comments 1 and 2		See Comments 1 and 2	

**Comment 1:** Facilities Operations and Capital Replacement budgets were approved by the GR-KC Convention / Arena Authority at its regularly scheduled meeting on June 26, 2002.

**Comment 2:** Facilities Operations and Capital Replacement columns include receipts and disbursements processed by the C/AA. SMG receipts and disbursements are reported separately in the Van Andel Arena and Grand Center financial statements prepared by SMG.

See accountants' report

## Statement C

### GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Preliminary Statement of Cash Receipts and Disbursements - Budget to Actual (Construction) From July 1, 2002 to June 30, 2003

	CONSTRUCTION ACCOUNT			
	Monroe Ave Relocation Budget	Actual	Convention Center Construction Budget	Actual
<b>RECEIPTS</b>				
State of Michigan	\$ -	\$ -	\$ 2,138,974	\$ -
City / County Bldg Authority Capital Contrib.	3,071,036	14,574	52,381,302	57,662,498
Transfer from Operating Fund	-	-	1,000,000	1,000,000
Interest on Investments	55,000	44,358	698,455	799,786
<b>TOTAL RECEIPTS</b>	<b>3,126,036</b>	<b>58,932</b>	<b>56,218,731</b>	<b>59,462,284</b>
<b>DISBURSEMENTS</b>				
Architectural and Engineering Services	1,744,046	-	4,000,000	2,312,503
Construction Material Testing	-	-	600,000	289,715
Construction - GMP Contractor	1,133,925	14,560	47,063,549	60,781,420
<b>Sub-total Contractor Disbursements</b>	<b>2,877,971</b>	<b>14,560</b>	<b>51,663,549</b>	<b>63,383,638</b>
Insurance - Property / Liability	-	-	53,338	77,660
Legal Services	10,000	202	10,000	7,279
Owner's Representatives	-	-	270,870	261,758
Other Contractual Services	238,065	-	4,215,724	702,027
<b>Sub-total Service Disbursements</b>	<b>248,065</b>	<b>202</b>	<b>4,549,932</b>	<b>1,048,724</b>
Advertising / Promotion / Publicity	-	-	2,500	-
Supplies	-	-	500	-
Postage / Express	-	-	150	-
Telephone	-	-	2,100	2,040
<b>Sub-total Supplies Disbursements</b>	<b>-</b>	<b>-</b>	<b>5,250</b>	<b>2,040</b>
<b>TOTAL DISBURSEMENTS</b>	<b>3,126,036</b>	<b>14,762</b>	<b>56,218,731</b>	<b>64,434,401</b>
<b>Excess / (Deficit) of Funds</b>	<b>\$ -</b>	<b>\$ 44,170</b>	<b>\$ -</b>	<b>\$ (4,972,117)</b>
<b>Total Net Assets - Beginning of Year</b>	<b>9,206,790</b>	<b>9,206,790</b>	<b>90,103,282</b>	<b>90,103,282</b>
<b>Total Net Assets - End of Year</b>	<b>\$ 9,206,790</b>	<b>\$ 9,250,960</b>	<b>\$ 90,103,282</b>	<b>\$ 85,131,165</b>
	See Comment		See Comment	

**Comment:** Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on June 26, 2002.

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

*INTERIM FINANCIAL STATEMENTS*

*One Month Ended July 31, 2003*



## ACCOUNTANTS' REPORT

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

We have compiled the accompanying statements of net assets and cash receipts and disbursements - budget to actual for the operating account and construction accounts of the Grand Rapids - Kent County Convention / Arena Authority for the one month ended July 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These statements do not include the cash receipts and disbursements of the Van Andel Arena and Grand Center which are operated by the Authority. The financial statements presented have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Beene Garter LLP*

August 12, 2003  
Grand Rapids, Michigan

BEENE GARTER LLP  
50 MONROE NW  
SUITE 600  
GRAND RAPIDS  
MICHIGAN  
49503-2679

BUSINESS ADVISORS ► CPAs ► FINANCIAL SERVICES  
INTERNATIONALLY KNOWN AS MOORE STEPHENS BEENE GARTER PLC

T 616.235.5200  
F 616.235.5285  
1.800.824.7882  
[www.beenegarter.com](http://www.beenegarter.com)

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## INTERIM FINANCIAL STATEMENTS

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# Statement A

## GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

### Statement of Net Assets

July 31, 2003

<b>ASSETS</b>	<b>CONSTRUCTION</b>	<b>OPERATING</b>	<b>TOTAL</b>
<b>Current Assets:</b>			
Cash and Equivalents - Authority	\$ 13,853,918	\$ 1,685,419	\$ 15,539,337
Cash and Equivalents - Facility	-	3,620,013	3,620,013
Investments	19,921,727	-	19,921,727
Receivables, Net	-	1,232,040	1,232,040
Prepaid Expenses	-	117,750	117,750
Contract Rights	-	5,737	5,737
<b>Total Current Assets</b>	<b>33,775,645</b>	<b>6,660,959</b>	<b>40,436,604</b>
<b>Noncurrent Assets:</b>			
Capital Assets:			
Construction in Progress	56,229,162	3,507	56,232,669
<b>Total Noncurrent Assets</b>	<b>56,229,162</b>	<b>3,507</b>	<b>56,232,669</b>
<b>TOTAL ASSETS</b>	<b>90,004,807</b>	<b>6,664,466</b>	<b>96,669,273</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	-	643,033	643,033
Accrued Expenses	-	418,296	418,296
Advance Ticket Sales	-	1,079,206	1,079,206
Advance Deposits	-	202,952	202,952
Deferred Facility Income	-	441,506	441,506
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>2,784,993</b>	<b>2,784,993</b>
<b>NET ASSETS</b>			
Invested in Capital Assets	56,229,162	3,507	56,232,669
Fund Balance	33,775,645	3,875,966	37,651,611
<b>TOTAL NET ASSETS</b>	<b>\$ 90,004,807</b>	<b>\$ 3,879,473</b>	<b>\$ 93,884,280</b>



# Statement B

## GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Operations) From July 1, 2003 to July 31, 2003

	OPERATING ACCOUNT			
	Facilities Operations		Capital Replacement	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Facility Operations	\$ 1,827,565	\$ -	\$ -	\$ -
Land Lease	107,000	8,901	-	-
Interest on Investments	20,000	876	12,000	514
Capital Replacement Reserve Transfer	930,402	-	(930,402)	-
Miscellaneous Revenue	8,000	-	-	-
<b>TOTAL RECEIPTS</b>	<b>2,892,967</b>	<b>9,777</b>	<b>(918,402)</b>	<b>514</b>
<b>DISBURSEMENTS</b>				
Accounting / Auditing Services	59,245	1,128	-	-
Insurance - Property and Liability	33,595	-	-	-
Legal Services	32,000	6,102	-	-
Other Contractual Services	42,000	-	-	-
Pedestrian Safety	95,000	-	-	-
Facility Management Fees	-	-	-	-
Meeting Expense	890	28	-	-
Supplies	1,000	-	-	-
Transfer to Construction Account	1,000,000	-	-	-
<b>Sub-total Service Disbursements</b>	<b>1,263,730</b>	<b>7,257</b>	<b>-</b>	<b>-</b>
Electricity	1,031,332	30,631	-	-
Steam	831,834	18,194	-	-
Water and Sewer	99,300	2,892	-	-
<b>Sub-total Utility Disbursements</b>	<b>1,962,466</b>	<b>51,716</b>	<b>-</b>	<b>-</b>
Building Additions and Improvements	-	-	45,000	-
Facility Equipment Acquisition	-	-	115,000	-
<b>Sub-total Capital Disbursements</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	<b>-</b>
Employee Wages	53,300	4,000	-	-
Employee Benefits	17,366	1,339	-	-
<b>Sub-total Payroll Disbursements</b>	<b>70,666</b>	<b>5,339</b>	<b>-</b>	<b>-</b>
<b>TOTAL DISBURSEMENTS</b>	<b>3,296,862</b>	<b>64,312</b>	<b>160,000</b>	<b>-</b>
<b>Excess / (Deficit) of Funds</b>	<b>\$ (403,895)</b>	<b>\$ (54,535)</b>	<b>\$ (1,078,402)</b>	<b>\$ 514</b>
<b>Total Net Assets - Beginning of Year</b>	<b>3,403,895</b>	<b>2,104,933</b>	<b>1,596,704</b>	<b>1,828,561</b>
<b>Total Net Assets - End of Period</b>	<b>\$ 3,000,000</b>	<b>\$ 2,050,398</b>	<b>\$ 518,302</b>	<b>\$ 1,829,075</b>
	See Comments 1 and 2		See Comments 1 and 2	

**Comment 1:** Facilities Operations and Capital Replacement budgets were approved by the Convention / Arena Authority at its regularly scheduled meeting on May 28, 2003.

**Comment 2:** Facilities Operations columns include receipts and disbursements processed by the C/AA. SMG receipts and disbursements are reported separately in the Van Andel Arena and Grand Center financial statements prepared by SMG.



## Statement C

### GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Construction) From July 1, 2003 to July 31, 2003

	<u>Convention Center Construction Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Grand Action	\$ 32,048,961	\$ -
Downtown Development Authority	10,000,000	-
County of Kent	5,000,000	-
City of Grand Rapids - grant proceeds	3,528,884	-
Transfer from Operating Fund	1,000,000	-
Interest on Investments	397,550	35,073
<b>TOTAL RECEIPTS</b>	<b>51,975,395</b>	<b>35,073</b>
<b>DISBURSEMENTS</b>		
Architectural and Engineering Services	4,605,255	123,861
Construction Material Testing	583,610	17,786
Construction - GMP Contractor	56,390,602	4,024,684
<b>Sub-total Contractor Disbursements</b>	<b>61,579,467</b>	<b>4,166,332</b>
Insurance - Property / Liability	116,100	116,100
Legal Services	7,000	252
Owner's Representatives	245,000	22,930
Other Contractual Services	1,141,035	106,649
Telephone	2,000	128
<b>Sub-total Service Disbursements</b>	<b>1,511,135</b>	<b>246,059</b>
<b>TOTAL DISBURSEMENTS</b>	<b>63,090,602</b>	<b>4,412,391</b>
<b>Excess / (Deficit) of Funds</b>	<b>\$ (11,115,207)</b>	<b>\$ (4,377,318)</b>
<b>Total Net Assets - Beginning of Year</b>	<b>33,271,289</b>	<b>94,382,125</b>
<b>Total Net Assets - End of Period</b>	<b>\$ 22,156,082</b>	<b>\$ 90,004,807</b>
	See Comment	

**Comment:** Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on March 26, 2003.

See accountants' report

## Item IV.c.iv.



### FISCAL SERVICES

*County Administration Building  
300 Monroe Avenue, N.W.  
Grand Rapids, Michigan 49503-2221  
Phone (616) 336-2517  
Fax (616) 336-3598*

August 5, 2003

Mr. Bob White  
Finance Director  
Kent County  
300 Monroe NW  
Grand Rapids, MI 49503

RE: Convention/Arena Authority  
General Liability Insurance Renewal  
Hartford Insurance Policy # 81 SBA KP 8427  
Expiration Date: 8-23-03  
Policy Limit \$10,000,000

Dear Mr. White,

The general liability insurance policy for the Convention/Arena Authority is set to expire on August 23, 2003. Renewal proposals were requested from the insurance broker, Arthur J. Gallagher & Company. The broker approached several insurance carriers. However, only Hartford submitted a renewal proposal.

The renewal proposal from Hartford is basically the same terms and conditions as the expiring policy. The primary liability limit is \$1,000,000 and the endorsed excess liability limit is \$9,000,000. The renewal premium is \$3,846 The expiring premium was \$3,799.

It is my understanding that the Convention/Arena Authority Finance Committee meeting is scheduled for August 21, 2003.

After the approval to renew is received from the Committee, please let me know so coverage can be bound before the expiration date of August 23, 2002.

Sincerely,

A handwritten signature in cursive script, reading "Phil Van Dyke".

Phil Van Dyke  
Risk Coordinator  
336-2519

cc Steve Duarte  
Deputy Director of Support Services

Susan Waddell  
Convention/Arena Authority

**Robert J. White**  
Director

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION  
OF A FIRST AMENDMENT TO SUBLEASE AGREEMENT RELATED  
TO DEVOS PLACE WITH THE COUNTY OF KENT IN CONNECTION  
WITH THE ISSUANCE BY THE CITY-COUNTY BUILDING  
AUTHORITY OF ADDITIONAL BONDS TO FINANCE A PORTION OF  
THE COSTS OF IMPROVEMENT, EXPANSION AND RENOVATION OF  
DEVOS PLACE**

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

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") owns and operates a convention/performing arts/entertainment facility known as DeVos Place (the "Facility"); and

**WHEREAS**, the CAA previously determined to undertake the extensive improvement, expansion and renovation of the Facility, including the demolition of existing structures; the construction of infrastructure improvements including the relocation of utilities in Monroe Avenue, N.W., Michigan Street, N.W., Lyon Street, N.W., and Pearl Street, N.W.; the renovation and improvement of approximately 150,000 square feet of existing space; the addition of approximately 850,000 square feet of new space; the construction of an approximately 700 space below grade parking facility; the improvement of Riverfront Promenade and Lyon Square; the acquisition and installation of furniture, fixtures and equipment; and related and appurtenant improvements generally located and to be located south of Michigan Street, N.W., west of Monroe Avenue, N.W., north of Lyon Street, N.W., and east of the Grand River within the City (the "Project"); and

**WHEREAS**, the CAA requested both the County of Kent (the "County") and the City-County Building Authority (the "Building Authority") to assist in the financing of a portion of the cost of the Project through the issuance of building authority bonds in the aggregate principal amount of \$84,578,903.75 entitled "Building Authority Bonds, Series 2001 (DeVos Place Project)" (the "Bonds"), which bonds were issued pursuant to Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended, MCL 123.951 et seq. ("Act 31") on December 13, 2001; and

**WHEREAS**, while the Bonds (or any other bonds issued by the Building Authority for the Project) are outstanding, Act 31 requires the legal title to the Project be in the name of the Building Authority; and

**WHEREAS**, in connection with the issuance of the Bonds, the County entered into a Contract of Lease dated as of December 1, 2001 (the "Lease Contract"), with the Building Authority agreeing to lease the Project until all of the Bonds have been retired or defeased and to make rental payments equal to the principal of and interest on the Bonds when due; and

**WHEREAS**, during the time the Bonds are outstanding, the County agreed to sublease the Project to the CAA pursuant to the terms of a Sublease Agreement (the "Sublease") pursuant to which the CAA is responsible for the operation, maintenance and administration of the Project; and

**WHEREAS**, the CAA, in collaboration with the County, the City of Grand Rapids and the Downtown Development Authority of the City of Grand Rapids has requested the Building Authority to issue additional bonds in the principal amount of \$10,000,000 (the "Series 2003 Bonds") to complete the Project; and

**WHEREAS**, the Building Authority has agreed to issue the Series 2003 Bonds pursuant to Act 31; and

**WHEREAS**, in connection with the issuance of the Series 2003 Bonds, the County and the Building Authority have entered into a supplement to the Lease Contract (the "First Supplement to Lease Contract") providing for the payment of additional rentals to cover the cost of repayment of the Series 2003 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2003 Bonds and the execution of the First Supplement to Lease Contract, it is necessary for the County and CAA to enter into an amendment to the Sublease (the "First Amendment to Sublease").

**RESOLVED:**

1. That the First Amendment to Sublease substantially in the form attached hereto as Exhibit A is hereby approved and any two officers of the CAA are hereby authorized and directed to execute such First Amendment to Sublease for and on behalf of the CAA in substantially the form approved with such changes as may be necessary or desirable, not materially adverse to the CAA and as approved by its legal counsel.

2. 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 \_\_\_\_\_

Dated: August 27, 2003

\_\_\_\_\_  
Susan Waddell  
Administrative Manager/Recording Secretary

### **CERTIFICATION**

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on August 27, 2003, 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: August 27, 2003

---

Susan Waddell  
Administrative Manager/Recording Secretary

## **EXHIBIT A**

### **FIRST AMENDMENT TO SUBLEASE AGREEMENT**

**THIS FIRST AMENDMENT TO SUBLEASE AGREEMENT** (the "First Amendment") made as of the \_\_\_\_ day of \_\_\_\_\_, 2003, by and between the **COUNTY OF KENT**, Michigan (hereinafter referred to as the "County"), a Michigan county organized and existing under the Constitution and laws of the State of Michigan, and the **GRAND RAPIDS – KENT COUNTY CONVENTION/ARENA AUTHORITY** (hereinafter referred to as the "CAA"), a Michigan statutory authority established pursuant to Act 203 of the Public Acts of Michigan of 1999, MCL 141.1401, et seq. ("Act 203").

#### **WITNESSETH:**

**WHEREAS**, the County and the City of Grand Rapids (the "City") established the CAA pursuant to Act 203 for the purpose in part of the CAA owning and operating a convention/performing arts/entertainment facility known as DeVos Place (the "Facility"); and

**WHEREAS**, the CAA previously determined to undertake the extensive improvement, expansion and renovation of the Facility, including the demolition of existing structures; the construction of infrastructure improvements, including the relocation of utilities in Monroe Avenue, N.W., Michigan Street, N.W., Lyon Street, N.W., and Pearl Street, N.W.; the renovation and improvement of approximately 150,000 square feet of existing space; the addition of approximately 850,000 square feet of new space; the construction of an approximately 700 space below grade parking facility; the improvement of Riverfront Promenade and Lyon Square; the acquisition and installation of furniture, fixtures and equipment; and related and appurtenant improvements generally located and to be located south of Michigan Street, N.W., west of Monroe Avenue, N.W., north of Lyon Street, N.W., and east of the Grand River within the City (the "Project"), for use for public purposes; and

**WHEREAS**, the County and the City have incorporated the City-County Building Authority (the "Building Authority") pursuant to Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended, MCL 123.951, et seq. ("Act 31"), for the purposes set forth in Act 31; and

**WHEREAS**, the CAA requested the Building Authority assist in the financing of a portion of the cost of the Project through issuance of building authority bonds in the aggregate principal amount of \$84,578,903.75 entitled "Building Authority Bonds, Series 2001 (DeVos Place Project)" (the "Bonds"), which Bonds were issued pursuant to Act 31 on December 13, 2001; and

**WHEREAS**, while the Bonds (or any other bonds issued by the Building Authority for the Project) are outstanding, Act 31 requires the legal title to the Project be in the name of the Building Authority; and

**WHEREAS**, in connection with the issuance of the Bonds, the County entered into a Contract of Lease dated as of December 1, 2001 (the "Lease Contract"), with the Building Authority pursuant to which the County agreed to lease the Project from the Building Authority until all of the Bonds have been retired or defeased and make rental payments to the Building Authority equal to the principal of and interest on the Bonds when due; and

**WHEREAS**, during the time the Bonds are outstanding, the County agreed to sublease the Project to the CAA pursuant to the terms of a Sublease Agreement (the "Sublease") pursuant to which the CAA is responsible for the operation, maintenance and administration of the Project; and

**WHEREAS**, the CAA, in collaboration with the County, the City and the Downtown Development Authority of the City of Grand Rapids has requested the Building Authority to issue additional bonds in the principal amount of \$10,000,000 (the "Series 2003 Bonds") needed to complete the Project; and

**WHEREAS**, the Building Authority has agreed to issue the Series 2003 Bonds pursuant to Act 31; and

**WHEREAS**, in connection with the issuance of the Series 2003 Bonds, the County and the Building Authority have entered into a supplement to the Lease Contract (the "First Supplement to Lease Contract") providing for the payment of additional rentals to cover the cost of repayment of the Series 2003 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2003 Bonds and the execution of the First Supplement to Lease Contract, it is necessary for the County and CAA to enter into this First Amendment to the Sublease.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS AND AGREEMENTS HEREINAFTER SET FORTH, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

1. The County agrees to be responsible for the payment of principal of and interest on the Series 2003 Bonds when due through the payment to the Building Authority of rental payments as required by the First Supplement to Lease Contract.
2. Project costs as identified in the Lease Contract shall be paid from proceeds of the Bonds and the Series 2003 Bonds (including available investment income) and other funds to be provided by or through the CAA. If there are not sufficient funds to complete the Project as designed, the CAA shall make the determination as to whether, and to what extent, the Project should be modified.
3. The County leases the Facility including the Project to the CAA for a term commencing on the effective date of the Lease Contract and ending on the later of the final maturity or legal defeasance of the Bonds or the Series 2003 Bonds, or such earlier date of termination of the Lease Contract and First Supplement to Lease Contract as provided therein.



When all of the Bonds and the Series 2003 Bonds have been retired or legally defeased, the Building Authority is required pursuant to the Lease Contract and First Supplement to Lease Contract to convey, and the County shall, pursuant to the Sublease and this First Amendment, simultaneously convey to the CAA all of the right, title and interest in the Facility including the Project and any lands, air space, easements or rights-of-way appertaining thereto. Upon such conveyance, the Sublease and this First Amendment and the leasehold term shall terminate and neither the Building Authority nor the County shall have any further interest in, or obligation with respect to the Facility including the Project.

4. The CAA hereby agrees to pay all expenses of the Building Authority related to the Series 2003 Bonds including expenses incidental to the issuance and payment of the Series 2003 Bonds to the extent such expenses are not paid from the proceeds of the Series 2003 Bonds.

5. The CAA shall not make or permit to be made any permanent alterations to the Project that will affect adversely the security for the Series 2003 Bonds or the payment of principal of or interest on such Series 2003 Bonds.

6. The CAA covenants and agrees that it will not do or permit to be done any act, and that this First Amendment will not be amended in any manner, which would impair the security of the Bonds or the Series 2003 Bonds or the rights of the holders thereof. The CAA further agrees to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2003 Bonds in order that interest on the Series 2003 Bonds be, or continue to be, excluded from gross income for federal income tax purposes.

7. The term of the Sublease and this First Amendment shall continue until the Series 2003 Bonds are paid in full or legally defeased, the Lease Contract and First Supplement to Lease Contract have been terminated and full title to the Facility including the Project has been conveyed to the CAA.

8. This First Amendment shall inure to the benefit of, and be binding upon, the respective parties hereto and their successors and assigns; provided, however, that no assignment shall be made in violation of the terms hereof nor shall any assignment be made which would impair the security of the Bonds or the Series 2003 Bonds or the rights of the holders thereof.

9. This First Amendment shall be construed in all respects in accordance with the laws of the State of Michigan.

10. In the event any provision of this First Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any provision hereof.

11. The waiver by either party hereto or a breach or violation of any provision of this First Amendment shall not be a waiver of any subsequent breach in the same or any other provision of this First Amendment.

12. This First Amendment shall be enforceable only by the parties hereto and their successors in interest by virtue of an assignment which is not prohibited under the terms of the Sublease or this First Amendment and no other person shall have the right to enforce any provision contained herein.

13. Except to the extent modified or amended by this First Amendment, the Sublease is in all respects ratified and confirmed as applicable to the Series 2003 Bonds. In the event of a conflict between the Sublease and this First Amendment as it relates to the Series 2003 Bonds, the provisions of this First Amendment shall control.

**IN WITNESS WHEREOF**, the **COUNTY OF KENT**, by its Board of Commissioners, and the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, by its Board of Directors, each have caused this First Amendment to be signed in its name, for and on its behalf, by its duly authorized officers, as of the day and year first above written.

**COUNTY OF KENT**

By: \_\_\_\_\_  
David J. Morren, Chairperson  
Board of Commissioners

By: \_\_\_\_\_  
Mary Hollinrake, County Clerk

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

By: \_\_\_\_\_  
John H. Logie, Chairman

By: \_\_\_\_\_  
Birgit M. Klohs, Secretary

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Mon, Aug 18	WWE	MS	Arena	7:00 AM 8:00 AM 2:00 PM 3:00 PM 6:45 PM 7:45 PM 9:00 PM 11:00 PM	Rigging starts Load-in begins Chair set Pyro test Doors open Show begins Televised portion begins End of show/Load-out
	WWE	MW	Banquet C/D	5:00 AM 6A-11P	Set-up Crew catering
Tue, Aug 19	Available				
Wed, Aug 20	SMG	MW	Banquet A	8:00 AM 9:45A-12P	Set-up Pepsi Jam and the Van Press Conf
Thur, Aug 21	Available				
Fri, Aug 22	Available				
Sat, Aug 23	Available				
Sun, Aug 24	Available				
Mon, Aug 25	Available				
Tue, Aug 26	Available				
Wed, Aug 27	DP Fox	MW	Banquet All	6P-8:30P	Banquet
Thur, Aug 28	Available				
Fri, Aug 29	ZZ Top	AH	Arena	8:00 PM	Performance
	ZZ Top	MW	Banquet C/D	2:00 AM 5A-11P	Set-up Crew catering
Sat, Aug 30	Available				
Sun, Aug 31	Available				
Mon, Sep 1	Available				
Tue, Sep 2	Available				
Wed, Sep 3	Neil Young	MS	Arena	7:00 PM	Performance
Thur, Sep 4	Grand Rapids Sports Hall of Fame	MW	Banquet All	2:00 PM 5P-10P	Set-up Induction Ceremony
Fri, Sep 5	Available				
Sat, Sep 6	Available				
Sun, Sep 7	Available				
Mon, Sep 8	Available				
Tue, Sep 9	Available				
Wed, Sep 10	Available				
Thur, Sep 11	Available				
Fri, Sep 12	Available				
Sat, Sep 13	Metropolitan Foundation	MS	Arena	6:00 PM	Black Tie Dinner
Sun, Sep 14	Available				
Mon, Sep 15	Available				
Tue, Sep 16	Available				
Wed, Sep 17	Available				
Thur, Sep 18	DP Fox	MS	Arena	7:30 PM	Red/White game
Fri, Sep 19	Team of Destiny	AH	Arena	8A-5P	Move-in
Sat, Sep 20	Team of Destiny	AH	Arena	8A-11P	Show
Sun, Sep 21	Team of Destiny	AH	Arena	8A-5P	Show/Move-out

# DE VOS PLACE WEEKLY - YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
TUES. AUG 19						
WED. AUG 20						
THURS. AUG 21						
FRI. AUG 22						
SAT. AUG 23	HOWARD AMWAY CONFERENCE	GH/	9A-2P 2P-3P 3P 4P-6P 7P 8P-10:30P 10:30P-MID	MOVE IN SMALL MEETING DOORS OPEN 1 <sup>ST</sup> PROGRAM DOORS 2 <sup>ND</sup> PROGRAM MOVE OUT	MF	SKYWALK OPEN - 9A-11P
SUN. AUG 24						
MON. AUG 25						
TUES. AUG 26						
WED. AUG 27						
THURS. AUG 28						
FRI. AUG 29						
SAT. AUG 30						
SUN. AUG 31						
MON. SEPT 1						
TUES. SEPT 2						
WED. SEPT 3						
THURS. SEPT 4						
FRI. SEPT 5	GRSO - AUDITIONS	DV/	9A-5P	AUDITIONS	ST	
SAT. SEPT 6	GRSO - AUDITIONS	DV/	9A-5P	AUDITIONS	ST	
SUN. SEPT 7						
MON. SEPT 8	GRSO - AUDITIONS	DV/	9A-5P	AUDITIONS	ST	
TUES. SEPT 9	GRSO - CLASSICAL I	DV/	8A-1P 3:30P-6P 7:30P-10P	MOVE IN REHEARSAL REHEARSAL	ST	
WED. SEPT 10	GRSO - CLASSICAL I	DV/	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL	ST	
THURS SEPT 11	GRSO - CLASSICAL I	DV/	4P-7P 7:30P-10P	MIC HANG REHEARSAL	ST	
FRI. SEPT 12	GRSO - CLASSICAL I	DV/	7P 7P-7:30P 7:30P 8P-10:30P	DOORS TO LOBBY UPBEAT DOORS TO SEATING PERFORMANCE	ST	
			10A-NOON	MOVE IN	JE	
SAT. SEPT 13	EBAY UNIVERSITY ROADSHOW 2003	1/3 GH/	6A 7A-5:30P 9A-6P 6P-10P	MOVE IN REGISTRATION MEETING MOVE OUT	JE	
	EBAY UNIVERSITY ROAD SHOW 2003	1/3 GH/				
	GRSO - CLASSICAL I	DV/	7P 7P-7:30P 7:30P 8P-10:30P 10:30P-11:30P	DOORS TO LOBBY UPBEAT DOORS TO SEATING PERFORMANCE MINIMAL MOVE OUT	ST	

# DE VOS PLACE WEEKLY - YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
SUN. SEPT 14						
MON. SEPT 15						
TUES. SEPT 16						
WED. SEPT 17						
THURS SEPT 18	GRSO - POPS I	DV/	9A-1P 7P-10P	MOVE IN REHEARSAL	ST	
FRI SEPT 19	GRSO - POPS I	DV/	7P 7:30P 8P-10P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	
SAT. SEPT 20	S. ABRAHAM & SONS, INC. MINI TRADESHOW	2/3 GH/	6A-7:30A 7:30A-8:30A 8:30A-NOON NOON-1P 1P-2:30P 2:30P-5P	MOVE IN BREAKFAST PROGRAM LUNCH PROGRAM MOVE OUT	JE	
	GRSO - POPS I	DV/	7P 7:30P 8P-10P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	
SUN. SEPT 21	GRSO - POPS I	DV/	2P 2:30P 3P-5P 5P-8P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE MOVE OUT	ST	
	STARLIGHT EXPRESS	DV/	8P-11P	HOUSE STRIP/PRE-HANG	ST	
MON. SEPT 22	STARLIGHT EXPRESS	DV/	8A-5P 6P-11P	MOVE IN WORK CALL	ST	
TUES. SEPT 23	STARLIGHT EXPRESS	DV/	8A-NOON NOON-6P 2P 6:30P 7P 7:30P-10P	MOVE IN CONT'D MOVE IN CONT'D PYRO CHECK DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	
WED. SEPT 24	HDS SERVICE 2003 MANAGERS CONFERENCE	2/3 GH/	8A-NOON NOON-5P 6P-8:30P 8:30P-10P	MOVE IN SET UP EXHIBITS MOVE OUT	MF	
	STARLIGHT EXPRESS	DV/	6:30P 7P 7:30P-10P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	
THURS. SEPT 25	STARLIGHT EXPRESS	DV/	1P 1:30P 2P-4:30P 6:30P 7P 7:30P-10P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	
FRI SEPT 26	STARLIGHT EXPRESS	DV/	7P 7:30P 8P-10:30P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	
SAT. SEPT 27	STARLIGHT EXPRESS	DV/	1P 1:30P 2P-4:30P 7P 7:30P 8P-10:30P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE DOORS TO LOBBY DOORS TO SEATING PERFORMANCE	ST	

# DE VOS PLACE WEEKLY - YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
SUN. SEPT 28	FOCUS ON LIFE DINNER	GH/	1P-5P	MOVE IN	MF	
	STARLIGHT EXPRESS	DV/	2P 2-30P 3P-5:30P 5:30P-10:30P	DOORS TO LOBBY DOORS TO SEATING PERFORMANCE MOVE OUT	ST	
MON. SEPT 29	FOCUS ON LIFE DINNER	GH/	4P-6P 6P 7P-8P 8P-9:30P 9:30P-MID.	REHEARSAL DOORS DINNER SHOW MOVE OUT	MF	
	STARLIGHT EXPRESS	DV/	10A-2P	HOUSE RESTORE	ST	
TUES. SEPT 30	GRSO - CLASSICAL II	DV/	9A-1P 7:30P-10P	MOVE IN REHEARSAL	ST	