



Meeting of Board of Directors

Wednesday, January 28, 2003
7:30 a.m. – 9:30 a.m.
Kent County Board Room, 3rd Floor
Grand Rapids, Michigan 49503

A G E N D A

- | | |
|--|-------------|
| I. Call to Order | |
| II. Approval of December 3, 2003 Minutes | Action |
| III. DeVos Place Construction Update – Erhardt/Hunt | Information |
| IV. Committee Reports | |
| a. Building Committee | Information |
| b. Operations Committee | |
| i. CVB Update | Information |
| c. Finance Committee | |
| i. Approval of Disbursements | Action |
| ii. Approval of SMG Financial Reports | Action |
| iii. Approval of CAA Financial Reports | Action |
| V. Amendment No. 7 to Construction Manager Agreement | Action |
| VI. DeVos Place Parking Operation and Maintenance Agreement | Action |
| VII. SMG Report | Information |
| i. Facilities Calendars | |
| VIII. Other Business | |
| IX. Public Comment | |
| X. Next Meeting Date: February 25, 2004 | |
| XI. Adjournment | |



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



**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Wednesday, December 3, 2003**

I. Call to Order

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

Attendance

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

Members Absent: David Frey

Staff/Others:	Shaun Barcelow	Erhardt/Hunt Joint Venture
	Matt Barnes	Erhardt/Hunt Joint Venture
	Neal Biggs	Erhardt/Hunt Joint Venture
	Noretta Boyd	Erhardt/Hunt Joint Venture
	Julie Brannon	Erhardt/Hunt Joint Venture
	David Czurak	<i>Grand Rapids Business Journal</i>
	Daryl Delabbio	Kent County
	Robert DuHadway	DK Security
	Keith Eidson	Tradeshows, Inc.
	Joe Erhardt	Erhardt/Hunt Joint Venture
	Larry Erhardt	Erhardt/Hunt Joint Venture
	Mathew Fahrenkrug	Erhardt/Hunt Joint Venture
	Jim Gray	CAA Owner Representative
	George Helmstead	CVB
	Clair Horrigan	Erhardt/Hunt Joint Venture
	Robert Johnson	SMG
	Kurt Kimball	City of Grand Rapids
	Chris Knappe	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Steve Miller	SMG
	Joe Mize	Erhardt/Hunt Joint Venture
	Howard Oosterink	Erhardt/Hunt Joint Venture
	Monica Patton	Erhardt/Hunt Joint Venture
	Robin Sewall	Erhardt/Hunt Joint Venture
	William Sewall	Erhardt/Hunt Joint Venture
	Dale Sommers	CAA Owner Representative
	Greg Sundstrom	City of Grand Rapids
	Benjamin Swart	Erhardt/Hunt Joint Venture
	Al Vanderberg	Kent County
	Don Van Beek	Erhardt/Hunt Joint Venture
	Susan Waddell	CAA

Jana Wallace
Jim Watt
Richard Wendt
Robert White
Steven Wilson
Tim Wondergem

City of Grand Rapids
SMG
Dickinson Wright
Kent County
CVB
Wondergem Consulting

II. Minutes of Prior Meetings

Motion: Ms. Klohs, supported by Mr. Tomaselli, moved to approve the Minutes of the October 22, 2003, meetings of the Authority. Motion carried unanimously.

III. Election of Officers

According to the CAA Bylaws, officers are elected biannually. The last election was held January 23, 2002, for terms expiring in January 2004. Current officers are John H. Logie, Chairman; David G. Frey, Vice Chairman; and Birgit M. Klohs, Secretary/Treasurer. Mayor Logie recommended the following slate of officers for terms expiring in January 2006: John H. Logie, Chairman; Clifton B. Charles, Jr., Vice Chairman; and Birgit M. Klohs, Secretary/Treasurer.

Motion: Mr. Heacock, supported by Mr. Tomaselli, moved to approve the slate of officers as recommended for terms expiring in 2006 with the exception of John H. Logie, whose term will expire December 31, 2004. Motion carried unanimously.

IV. DeVos Place Construction Update

Mr. Joe Erhardt proudly announced that Phase 2 is complete and DeVos Place has been turned over to SMG. The construction manager received the final certificate of occupancy on November 25, just in time for the Woodworkers' Expo move-in. Mr. Erhardt thanked the CAA Board for its trust in the construction team. Mr. Sewall reported that Phase 3 continues and work is progressing well. The team is getting out of the underground with minimal problems. The concrete subcontractors have mobilized and are performing concrete forming and placing. Temporary heating systems are being established to continue work throughout the winter. DeVos Performance Hall renovation and the Grand Hall work is scheduled to start by the end of 2003. Mr. Barnes introduced the Erhardt/Hunt construction team. Mayor Logie praised the construction team for a job well done!

V. Committee Reports

Building Committee

Mr. Sommers reported that the Committee reviewed the financial statements, project timelines, major milestones, and then toured the facility once the meeting adjourned. Mr. Sommers has submitted a DEQ application permit for the river walk extension. Last month, the project surpassed 1 million man-hours worked. M/WBE participation at 17.3% continues to exceed the 10% goal adopted by the CAA.

Operations Committee

Mr. Chamberlin reported that a new ice deck cover has been installed at the Van Andel Arena® and the security system is being updated with digital technology. Jim Day was appointed to the Operations Committee to replace Al Vanderberg. Mr. Chamberlin presented the DeVos Place rental rate structure for FY 2007 and recommended its approval. The 4% increases from FY 2006 are well within industry norms.

Motion: Mr. Chamberlin, supported by Mr. Heacock, moved to approve the DeVos Place FY 2007 rental rate structure. Motion carried unanimously.

Mr. Wilson thanked the CAA Board, the construction team, and SMG for their assistance in opening DeVos Place to a busy and active schedule. Mr. Wilson introduced Keith Eidson, producer of the Woodworkers Expo. Mr. Eidson stated it was a privilege and honor to be the first tenant of DeVos Place. The building is so well prepared that you would not know we were opening a new building. Employees have gone out of their way to make the visit easy. Undoubtedly, Grand Rapids is the home of the wood working industry. The Woodworkers to returning year after year. Mayor Logie formally welcomed the Woodworkers and acknowledged their willingness to partner so that the building could open early.

Finance Committee

Mr. Heacock presented the Finance Committee report.

- a. Approval of Disbursements and Payroll for the Period October 17 – November 14, 2003.

Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve payment of disbursements and payroll totaling \$4,402,080.02. Motion carried unanimously.

- b. Approval of SMG Financial Statements for DeVos Place and Van Andel Arena®

Motion: Mr. Heacock, supported by Mr. Tomaselli, moved to approve the SMG Financial Statements for DeVos Place and the Van Andel Arena® for the period ended October 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 October 31, 2003. Motion carried unanimously.

Jana Wallace was appointed to the Committee replace Robert White as representative for the City of Grand Rapids. Robert White serves on the City as the Kent County representative.

VI. Concession Agreement with Service America Concessions Corporation (SACC) – Consent to Initial Public Offering (IPO)

Mr. Wendt explained that, on December 5, 2003, SACC's indirect parent company, Volume Services America Holdings, Inc. (VSA), would undertake an initial public offering of stock that would result in a change in majority control of the voting stock of VSA. Officials of SACC have advised Mr. Wendt that this would result in a change in the composition of the board of directions of VSA. However, there would be no change in the officers or management of VSA and no change is contemplated in the chief executive officer or other officers or management of SACC, including local management at the Van Andel Arena®. Further, there is no contemplated change in the operations of SACC. The CAA's agreement with SACC provides that the CAA has the right to terminate the agreement within 90 days after a change of control occurs. SACC and VSA have requested the CAA acknowledge the change of control and indicate its intent not to exercise its right to terminate the agreement, which expires in 2006. Mr. Wendt provided a resolution to accomplish this.

Mr. Tomaselli suggested that the Board delay action until the IPO has occurred, in case any surprises emerge. Mayor Logie inquired whether the change from public to private ownership would trigger the 90-day clause. Mr. Wendt responded affirmatively, adding that he has been assured there would be no change in management or in the operations of the subsidiary company. Mayor Logie stated the Board would take action on the resolution and monitor the situation for the next 90 days.

Motion: Mr. Heacock, supported by Mr. Tomaselli, moved to approve the Resolution Acknowledging (A) the Sale of Stock of Volume Services Holdings, Inc., Parent of Service America Concessions Corporation, and (B) that the Concession Agreement Will Not Terminate Because of Such Sale of Stock. Motion carried unanimously.

VII. Concession Agreement with Amway Hotel Corporation

Mr. Wendt presented a resolution to approve and authorize an amendment to the Grand Rapids Civic Auditorium and Convention Entertainment Center lease agreement. Mr. Wendt explained that the terms of the new agreement would provide the CAA with 25% of gross concession revenues and 15% of gross catering revenues up to \$4.25 million. The CAA will receive 30% of concession revenues and 20% of catering revenues above \$4.25 million. The percentage excludes revenues paid by Amway for tips and taxes. The current agreement provides the CAA with 25% of concession revenues, excluding alcoholic beverages, 9% of catering receipts from Welsh Auditorium, 10% of catering receipts from the Grand Center, and 20% of alcoholic beverage sales, excluding drinks included with the price of catered meals. The new contract also calls for Amway to invest \$650,000 through April 15, 2010 for capital improvements, plus up to \$15,000 per year if annual combined concession and catering gross revenue is between \$4 million and \$4.25 million. Neither Mayor Logie nor Mr. Tomaselli was involved in the contract negotiations. Mr. MacKeigan, who helped negotiate the terms of the agreement, stated that the deal was fair and in the best interest of the venue.

Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve the Resolution Approving and Authorizing Amendment to Grand Rapids Civic Auditorium and Convention Entertainment Center Lease Agreement. Abstain: Logie, Tomaselli. Motion carried.

VIII. SMG Report

Facilities Calendar

Mr. MacKeigan reported that upcoming events at the Van Andel Arena® include GVSU graduation ceremony, Amy Grant/Vince Gill concert, hockey, and Trans-Siberian Orchestra. Tickets for the May 2004 Shania Twain go on-sale December 6, along with Jerry Seinfeld. The Bare Naked Ladies will start its major arena tour at the Van Andel. Upcoming events at DeVos Performance Hall include Mama Mia, the Nutcracker Ballet, and the Symphony Pops concert. DeVos Place will host the Woodworkers Expo, Fruit & Vegetable Growers tradeshow, GFS event, Quixtar reception, and the December 20 grand opening. Mr. MacKeigan introduced Robert Johnson, of SMG corporate offices. Mr. Johnson stated that SMG manages about 40 buildings comparable to DeVos Place. Mr. Johnson congratulated the construction and design teams on the venue's unsurpassed quality. Mr. Johnson acknowledged the CAA for being actively engaged in the project and credited the dedicated local SMG staff.

IX. Public Comments

None.

X. Next Meeting Date

The next CAA Board meeting is Wednesday, January 28, 2004.

XI. Adjournment

There being no other business, the meeting adjourned at 8:42 a.m.

Birgit M. Klohs, Recording Secretary

**Building Committee Report
To
Grand Rapids – Kent County Convention/Arena Authority**

January 28, 2004

GRAND GALLERY & EXHIBIT HALL

Erhardt/Hunt continues to work on finishes in the parking level, as well as punch list work. The punch list is approximately 90% complete. 330 parking spaces turned over for use on January 23, 2004.

PHASE 3

Nicholson Contracting, the deep foundation subcontractor continues drilling for their foundation work. They have completed the ballroom area mini-piles less 13 to be completed at a later time. The concrete subcontractors, Erhardt Construction and Grand River Construction have continued their concrete forming and placing. Temporary wall bracing has been placed to begin backfilling and steel erection. Installation of the below slab underdrain system is in process as well. Van Dellen Steel, along with their erector, Ace, has mobilized and is preparing their cranes and work area to receive steel in early January.

Renovation work continues in the Grand Center in the kitchen area and lower level. Now that selective demolition is nearly complete in these zones, the work primarily consists of M.E.P. rough-in and reinforcement of the existing roof structure.

Area M (DeVos Hall perimeter) renovation currently consists of drywall hanging and finishing in the public restroom areas of the north hall ways.

GENERAL NOTES


The Phase 3 GMP was prepared this month, reviewed and submitted for approval. The Committee reviewed the planning of DeVos Hall interior renovation, Keller Lobby, River wall construction; the DEQ permit has been acquired.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 9, 2004

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

FROM: Jana M. Wallace 
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
November 26, 2003	\$ 17,739.48	\$ 1,006,255.87
December 15, 2003	115,549.66	5,002,491.13
December 29, 2003	21,129.56	280,576.27
Payroll – 11/28/2003	1,973.09	--
Payroll – 12/12/2003	1,979.97	--
Payroll – 12/26/2003	2,096.29	--
Disbursements by Fund	\$ 160,468.05	\$ 6,289,323.27

Total disbursements for the Grand Rapids - Kent County Convention / Arena Authority during the period November 26 through December 26, 2003, were \$6,449,791.32.

Disbursements from the Construction Retainage Account held by the Grand Rapids - Kent County Convention / Arena Authority during the same period were \$670,688.00.

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 November 26, 2003, as Authorized by the Current Bookkeeping Policy

Payee	Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by Project Manager			
C AAA Fence Company	\$ 1,978.77	10/30/2003	Rental of tall temporary chain link fence
C Custer Office Environments	138,600.00	10/22/2003	Partial delivery (1320) of black steelcase chairs
C Custer Office Environments	69,300.00	10/23/2003	Partial delivery (660) of black steelcase chairs
C Custer Office Environments	69,300.00	10/24/2003	Partial delivery (660) of black steelcase chairs
C Custer Office Environments	138,600.00	10/27/2003	Partial delivery (1320) of black steelcase chairs
C Custer Office Environments	69,300.00	10/31/2003	Partial delivery (660) of black steelcase chairs
C Custer Office Environments	36,540.00	11/04/2003	Partial delivery (348) of black steelcase chairs
C ISG	7,206.08	11/14/2003	AC power supply, cable, module server
C King & MacGregor Environmental, Inc.	534.09	11/17/2003	Professional services - October 2003
C Materials Testing Consultants Inc	33,773.76	11/10/2003	Construction phase services - September 2003
C Midstate Security	23,400.00	10/20/2003	Multiple security systems for Convention Center - payment # 11
C Nextel Communications	128.38	11/11/2003	Owner's representatives cellular phone charges as of 11/06/2003
C Palmer Snyder	11,276.00	10/17/2003	Black plastic tables for the convention center
C Progressive AE	4,400.00	11/13/2003	Owner requested changes - October 2003; 1 of 4
C Progressive AE	15,231.21	11/13/2003	DeVos Hall interiors - October 2003
C Progressive AE	16,875.00	11/17/2003	On-site architect's representative - October 2003
C Progressive AE	5,154.69	11/13/2003	Environmental Graphics - October 2003
C Progressive AE	760.61	11/13/2003	Owner requested changes - October 2003; 2 of 4
C Progressive AE	600.00	11/13/2003	Owner requested changes - October 2003; 3 of 4
C Progressive AE	1,001.38	11/19/2003	Owner requested changes - October 2003; 4 of 4
C Progressive AE	602.79	11/13/2003	DeVos Place FFE design - October 2003
C Progressive AE	107,663.68	11/17/2003	Grand Center - Expansion - October 2003
C Robert Duff Consulting Inc	5,177.50	11/20/2003	Communications systems consulting - 08/01/03 thru 10/31/03
C SMG - DeVos Place	3,230.56	11/07/2003	Construction related training for SMG staff
C SMG - DeVos Place	5,025.00	10/31/2003	Reimburse for lost Maly's rental revenue
C Tennant Sales and Service Co.	31,027.43	10/24/2003	Power sweepers-ride and walk behind, power scrubbers
C Tennant Sales and Service Co.	33,663.25	10/24/2003	Power sweepers-ride and walk behind, power scrubbers
C Virco Inc.	48,375.00	10/28/2003	Tables and tabletrucks for the convention center
C Virco Inc.	70,495.00	10/24/2003	Tables and tabletrucks for the convention center
C Virco Inc.	20,705.00	10/27/2003	Tables and tabletrucks for the convention center
C Voice Data Systems	36,036.69	11/12/2003	Meridian 1 equipment and upgrade - 8/1/03 to 11/12/03
	\$ 1,005,961.87	Sub-Total - Invoices Submitted by Project Manager	
Invoices Submitted by City Fiscal Services			
O Consumers Energy	\$ 16,408.60	11/04/2003	Electrical services for Grand Center - October 2003
C Dickinson Wright PLLC	294.00	10/23/2003	Legal services re architectural agreements - September 2003
O Dickinson Wright PLLC	126.00	10/23/2003	Legal services re CBA lease - August & September 2003
O Dickinson Wright PLLC	224.00	10/23/2003	Legal services re concession agreement - September 2003
O Dickinson Wright PLLC	448.00	10/23/2003	Legal services re general matters -September 2003
O ICMA Retirement Corporation - 401A	246.00	11/14/2003	Admin mgr's 401A - employer/employee contribs for 11/14/03 payroll
O ICMA Retirement Corporation - 457	160.00	11/14/2003	Admin manager's 457 - employee contrib for 11/14/03 payroll
O Office Depot	16.20	10/31/2003	Office heater for administrative manager
O Rapid Hot Coffee Service	27.68	10/22/2003	Beverages / snacks for October 22, 2003 meeting
O Rick Van Sweden DDS PC	83.00	11/18/2003	Dental services for administrative manager - October 2003
	\$ 18,033.48	Sub-Total - Invoices Submitted by City Fiscal Services	
	\$ 1,006,255.87	Total Invoices Submitted for Payment from Construction Account	
	\$ 17,739.48	Total Invoices Submitted for Payment from Operating Account	
	\$ 1,023,995.35	Total Invoices Processed for Payment	

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

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on December 15, 2003, as Authorized by the Current Bookkeeping Policy

	Payee	Amount	Invoice		Description of materials acquired / services received
			Date		
R	Erhardt - Hunt: A Joint Venture	\$ 670,688.00	11/30/2003		Draw on retainage account per agreement-Draw #6
	Invoices Submitted by Project Manager				
C	Erhardt - Hunt: A Joint Venture	\$ 4,382,673.00	11/30/2003		Progress pmt # 36: Construction - general / masonry / electrical
C	GR-KC C/AA Retainage Account	229,062.00	11/30/2003		Retainage for progress payment # 36
C	Jerry G Fellingner, Fire/Secur Sys	1,500.00	12/01/2003		Security system design and review -- November 2003
C	Feyen-Zylstra Inc	56,520.00	11/26/2003		Infrastructure cabling project - copper / fiber cabling
C	Global Computer Supplies	4,729.10	11/11/2003		Printer and computer software for Convention Center
C	J P Gray Consulting Inc	9,215.00	11/26/2003		Project management services - November 2003
C	Kendall Electric Inc	1,002.76	10/21/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	16,365.76	10/31/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	15,743.51	11/07/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	5,070.00	11/14/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	941.46	10/21/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	260.88	10/29/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	1,206.85	10/21/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	114.36	10/21/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	23.52	10/21/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	67.56	10/22/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	57.18	10/23/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	45.04	10/23/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	254.00	10/23/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	574.66	10/24/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	508.00	11/10/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	24.88	11/10/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	988.38	10/30/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	742.40	11/07/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	742.40	11/10/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	5,590.00	11/17/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	114.00	11/18/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	1,162.00	11/19/2003		Facility equipment, electrical supplies, and tools
C	Kendall Electric Inc	7,992.46	11/30/2003		Contaminated soil dumping - November 26, 2003
C	Ottawa County Landfill	8,729.72	11/20/2003		Transport of soil, abatement of asbestos containing pipe insulation
C	Pitsch Companies	11,560.00	11/30/2003		Project management services -November 2003
C	Sommers, Dale H	12,000.00	11/19/2003		Contract welding stationary compactor, model CP-2
C	Speed Wrench Inc	12,000.00	11/19/2003		Contract welding stationary compactor, model CP-2
C	State of Michigan	140.00	10/31/2003		Elevator safety inspections
C	Tamis Corporation	2,225.00	11/13/2003		Crowd Control Ropes and posts
C	Tamis Corporation	18,279.25	12/07/2003		Crowd Control Ropes and posts
C	United Rentals	150,033.00	10/01/2003		80 foot forklift, 40 foot forklift, 30 foot narrow electrical lift
C	Van's Industrial Equipment	44,233.00	11/13/2003		Two forklift trucks and fork extensions
		\$ 5,002,491.13			Sub-Total - Invoices Submitted by Project Manager

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on December 15, 2003, as Authorized by the Current Bookkeeping Policy

Payee	Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by City Fiscal Services			
Beene Garter LLP	\$ 822.00	11/24/2003	Bookkeeping services for period ended November 20, 2003
Consumers Energy	30,796.19	11/25/2003	Electrical services for Arena - November 2003
Consumers Energy	1,110.13	11/24/2003	Electrical services for Skywalk - November 2003
Grand Rapids City Treasurer	1,740.21	11/20/2003	Water and sewer services for Grand Center - Oct 21 - Nov 18, 2003
Grand Rapids City Treasurer	29.92	11/25/2003	Fire protection water line for Grand Center - Dec - March 2003
Grand Rapids City Treasurer	29.92	11/25/2003	Fire protection water line for Grand Center - Dec - March 2003
Grand Rapids City Treasurer	47.87	11/25/2003	Fire protection water line for Grand Center - Dec - March 2003
Grand Rapids City Treasurer	2,853.73	12/04/2003	Water and sewer services for Arena - November 2003
Grand Rapids City Treasurer	1.88	12/04/2003	Irrigation meter water/sewer charges for Arena - November 2003
Grand Rapids City Treasurer	12.23	11/20/2003	Water and sewer services for DeVos Place - Nov 17-19, 2003
ICMA Retirement Corporation - 401A	246.00	11/26/2003	Admin mgr's 401A - employer/employee contribs for 11/26/03 payroll
ICMA Retirement Corporation - 457	160.00	11/26/2003	Admin manager's 457 - employee contrib for 11/26/03 payroll
Kent County Dept of Public Works	23,289.89	11/30/2003	DeVos Place steam services - Nov 17-30, 2003
Kent County Dept of Public Works	27,188.39	11/30/2003	Arena steam services - November 2003
Kent County Dept of Public Works	20,371.78	11/30/2003	Grand Center steam services - November 2003
Kent County Dept of Public Works	2,507.20	11/30/2003	Skywalk steam services - November 2003
Priority Health	342.32	11/14/2003	Insurance benefits for administrative manager - December 2003
SMG - DeVos Place	4,000.00	11/18/2003	Payment for soil erosion conference should have gone to SMG
	<u>\$ 115,549.66</u>		Sub-Total - Invoices Submitted by City Fiscal Services
	<u>\$ 670,688.00</u>		Total Invoices Submitted for Payment from Retainage Account
	<u>\$ 5,002,491.13</u>		Total Invoices Submitted for Payment from Construction Account
	<u>\$ 115,549.66</u>		Total Invoices Submitted for Payment from Operating Account
	<u>\$ 5,788,728.79</u>		Total Invoices Processed for Payment

C = Convention Center construction related expenses

O = Non-construction / operating expenses

R = Retainage funds for which the Authority serves as fiduciary

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GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on December 29, 2003, as Authorized by the Current Bookkeeping Policy

Payee		Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by Project Manager				
C	Feyen-Zylstra Inc	\$ 38,952.00	12/14/2003	Infrastructure cabling project - copper / fiber cabling
C	Hi-Tec Building Services	850.00	11/30/2003	Light scrub of terrazzo floor in main lobby - November 2003
C	Materials Testing Consultants Inc	25,409.65	12/18/2003	Construction phase services - November 2003
C	Nextel Communications	128.38	12/11/2003	Owner's representatives cellular phone charges as of 12/06/2003
C	Ottawa County Landfill	5,735.18	12/13/2003	Contaminated soil dumping - December 3-4, 2003
C	Progressive AE	100,711.20	12/15/2003	Grand Center - Expansion - November 2003
C	Progressive AE	2,267.64	12/10/2003	Owner requested changes - November 2003; 1 of 2
C	Progressive AE	83.92	12/10/2003	De Vos Hall interior art / accessories - November 2003
C	Progressive AE	14,220.00	12/10/2003	On-site architect's representative - November 2003
C	Progressive AE	58.33	12/10/2003	Environmental Graphics - November 2003
C	Progressive AE	350.00	12/10/2003	Owner requested changes - November 2003; 2 of 2
C	Progressive AE	23,375.51	12/11/2003	DeVos Hall interiors - November 2003
C	Voice Data Systems	450.00	12/12/2003	Fifty 25 foot line cords and fifty 50 foot line cords for DeVos Place
C	Voice Data Systems	32,303.88	12/12/2003	Meridian 1 equipment and upgrade - 11/12/03 to 12/12/03
		\$ 244,895.69	Sub-Total - Invoices Submitted by Project Manager	
Invoices Submitted by City Fiscal Services				
O	Consumers Energy	\$ 18,883.06	12/06/2003	Electrical services for Grand Center - November 2003
C	Dickinson Wright PLLC	42.00	11/26/2003	Legal services re architectural agreements - November 2003
C	Dickinson Wright PLLC	35,638.58	11/26/2004	Legal services re CAA Bond issue series 2003 - November 2003
O	Dickinson Wright PLLC	56.00	11/26/2003	Legal services re CBA lease - October 2003
O	Dickinson Wright PLLC	728.00	11/26/2003	Legal services re concession agreement - October 2003
O	Dickinson Wright PLLC	574.00	11/26/2003	Legal services re general matters - October 2003
O	ICMA Retirement Corporation - 401A	246.00	12/12/2003	Admin mgr's 401A - employer/employee contribs for 12/12/03 payroll
O	ICMA Retirement Corporation - 457	160.00	12/12/2003	Admin manager's 457 - employee contrib for 12/12/03 payroll
O	Priority Health	342.32	12/14/2003	Insurance benefits for administrative manager - January 2004
O	Rapid Hot Coffee Service	27.68	12/02/2003	Beverages / snacks for December 3, 2003 meeting
O	Warner Norcross & Judd LLP	112.50	12/08/2003	Legal services re intellectual property - November 2003
		\$ 56,810.14	Sub-Total - Invoices Submitted by City Fiscal Services	
		\$ 280,576.27	Total Invoices Submitted for Payment from Construction Account	
		\$ 21,129.56	Total Invoices Submitted for Payment from Operating Account	
		\$ 301,705.83	Total Invoices Processed for Payment	

C = Construction related expenses

O = Operating / non-construction expenses

~~DEVOS PLACE~~

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED NOVEMBER 30, 2003

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

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

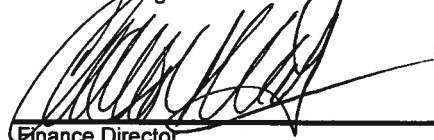
	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	87	223	310	292	18
ATTENDANCE	82,281	468,751	551,032	557,075	(6,043)
DIRECT EVENT REVENUE	261,907	1,155,217	1,417,124	1,406,774	10,350
ANCILLARY REVENUE	72,506	722,929	795,435	792,184	3,251
TOTAL EVENT REVENUE	334,413	1,878,146	2,212,559	2,198,958	13,601
TOTAL OTHER REVENUE	28,931	145,522	174,453	182,000	(7,547)
TOTAL OPERATING REVENUE	363,344	2,023,668	2,387,012	2,380,958	6,054
INDIRECT EXPENSES					
EXECUTIVE	57,020	54,745	111,765	112,208	443
FINANCE	68,656	128,560	197,216	198,711	1,495
MARKETING	22,667	49,996	72,663	76,439	3,776
OPERATIONS	195,242	592,770	788,012	799,347	11,335
EVENT SERVICES	175,646	562,997	738,643	748,260	9,617
BOX OFFICE	30,531	48,836	79,367	81,644	2,277
SALES	71,937	65,669	137,606	133,188	(4,418)
OVERHEAD	381,632	1,453,066	1,834,698	1,829,584	(5,114)
TOTAL OPERATING EXP.	1,003,331	2,956,639	3,959,970	3,979,385	19,411
NET REVENUE ABOVE EXPENSES	(639,988)	(932,971)	(1,572,958)	(1,598,427)	25,465
CAPITAL					-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(639,988)	(932,971)	(1,572,958)	(1,598,427)	25,465

Comments:

November came in ahead of budget for the month. Event revenue was consistent with expectation, however, indirect expenses were lower than budgeted. The main reason for the savings was an over accrual for Electrical expense over the first 4 months that was adjusted in November.



General Manager



Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED NOVEMBER 30, 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:

MONTH	November Actual	November Budget	November FY 2003
Number of Events	32	31	33
Attendance	43,953	46,605	39,785
Direct Event Income	\$132,201	\$125,517	\$114,613
Ancillary Income	21,476	22,841	33,156
Other Income	6,982	15,166	8,225
Indirect Expenses	(223,531)	(303,533)	(216,740)
Net Income	(\$62,871)	(\$140,009)	(\$60,746)

YTD	YTD 2004 Actual	YTD 2004 Budget	YTD 2003 Prior Year
Number of Events	87	82	132
Attendance	82,281	111,710	123,800
Direct Event Income	\$261,907	\$283,952	\$261,907
Ancillary Income	72,506	82,029	72,506
Other Income	28,931	75,830	28,931
Indirect Expenses	(1,003,332)	(1,303,525)	(1,003,332)
Net Income	(\$639,988)	(\$861,714)	(\$639,988)
Less Capital	(\$48)		
Net Income after Capital	(\$640,036)	(\$861,714)	(\$639,988)

EVENT INCOME

Event income came in at expected levels for the month.

ANCILLARY INCOME

Ancillary income came in at expected levels for the month.

INDIRECT EXPENSES

Indirect expenses came in lower than expected for the month due to lower labor expenses, as well as, adjustment due to over accrual on electrical expenses from earlier in the fiscal year.

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 11/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	113,377	111,088	111,240	237,796	258,301	496,202
SERVICES INCOME	18,824	14,429	3,373	24,112	25,651	<75>
TOTAL DIRECT EVENT INCOME	132,201	125,517	114,613	261,907	283,952	496,126
ANCILLARY INCOME						

FOOD & BEVERAGE	7,634	6,165	13,275	24,675	27,670	59,469
NOVELTY	3,608	2,250	1,450	4,835	4,250	9,224
TELECOMMUNICATIONS	0	0	0	0	0	1,747
ELECTRICAL	609	2,646	1,512	3,029	8,240	4,854
OTHER ANCILLARY	9,626	11,780	16,919	39,966	41,869	85,414
TOTAL ANCILLARY INCOME	21,476	22,841	33,156	72,506	82,029	160,707
TOTAL EVENT INCOME	153,678	148,358	147,769	334,413	365,981	656,833
OTHER OPERATING INCOME	6,982	15,166	8,225	28,931	75,830	35,014
ADJUSTED GROSS INCOME	160,660	163,524	155,994	363,344	441,811	691,847
INDIRECT EXPENSES						
EXECUTIVE	19,444	9,352	9,473	57,020	46,760	37,787
FINANCE	13,112	16,559	15,709	68,656	82,795	64,665
MARKETING	4,043	6,370	3,205	22,667	31,850	14,737
OPERATIONS	48,537	66,667	34,823	195,242	316,695	165,294
EVENT MANAGEMENT	37,730	59,856	56,922	175,646	263,280	195,277
BOX OFFICE	5,135	6,802	8,183	30,531	34,010	31,415
SALES	12,109	11,100	0	71,937	55,500	0
OVERHEAD	83,420	126,827	88,425	381,632	472,635	375,996
INDIRECT EXPENSES	223,531	303,533	216,740	1,003,332	1,303,525	885,171
NET OPERATING INCOME	<62,871>	<140,009>	<60,746>	<639,988>	<861,714>	<193,324>
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	48	0	0	48	0	0
OTHER EXPENSES	48	0	0	48	0	0
NET INCOME (LOSS)	<62,919>	<140,009>	<60,746>	<640,036>	<861,714>	<193,324>
	=====	=====	=====	=====	=====	=====

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 11/30/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	16,831	0	3,641	16,831	0	11,356
Stagehands Billed	90,111	76,250	74,871	232,283	211,950	183,369
Security Billed	7,236	9,130	5,753	12,256	22,955	19,146
Ushers & Tix Takers Billed	16,153	17,075	13,820	31,754	38,675	37,228
Box Office Billed	2,300	2,500	1,900	4,700	5,700	6,350
Ticketing Service Billed	20,885	21,875	11,720	28,457	43,163	32,368
Utilities Billed	0	0	0	300	0	0
City Police Fire Billed	2,811	0	1,969	4,529	1,550	3,302
Traffic Control Billed	141	195	0	194	195	540
EMT Medical Billed	2,775	2,797	1,762	5,328	6,194	5,707
Cleaning Billed	0	0	324	75	0	324
Insurance Billed	0	0	651	786	0	1,306
Telephone Billed	3,350	1,050	1,345	5,445	3,000	6,825
Other Production Billed	8,919	0	243	11,912	0	11,757
TOTAL SERVICE INCOME	171,513	130,872	117,999	354,851	333,382	319,577
Advertising Expense	16,831	0	3,641	16,831	0	11,375
Stagehand Wages	85,458	73,963	71,670	224,840	205,593	174,270
Security Wages	0	9,130	0	0	22,955	0
Contracted Security Expense	7,475	0	5,742	12,727	0	19,152
Ushers & T/T Wages	10,815	11,953	9,674	21,736	27,073	26,059
Ticket Sellers Wages	1,468	1,705	1,490	2,529	3,995	5,561
Ticket Service Charge Expense	9,917	8,750	5,011	12,793	17,121	12,228
City Police Fire Expense	2,811	0	1,969	4,529	1,600	3,009
Traffic Control Expense	576	395	1,190	1,745	2,695	5,426
EMT Medical Expense	1,818	2,747	1,353	3,973	6,094	4,398
Production Materials	492	0	0	492	0	0
Cleaning Wages	4,791	7,800	11,656	14,146	20,605	45,447
Insurance Expense	0	0	508	674	0	1,013
Allocated Telephone Expense	838	0	336	1,361	0	484
Production Expense	9,400	0	387	12,362	0	11,230
TOTAL SERVICE EXPENSE	152,689	116,443	114,626	330,740	307,731	319,652
NET SERVICE INCOME	18,824	14,429	3,373	24,112	25,651	<75>
	=====	=====	=====	=====	=====	=====

DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 11/30/03

ASSETS

CURRENT ASSETS

CASH	1,992,594
ACCOUNTS RECEIVABLE	381,571
PREPAID EXPENSES	113,856

TOTAL CURRENT ASSETS	2,488,021

FIXED ASSETS

TOTAL ASSETS	2,488,021
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	855,592
ACCRUED EXPENSES	175,256
ADVANCED TIX SALES & DEPOSITS	590,864

TOTAL CURRENT LIABILITIES	1,621,713

EQUITY

FUNDING RECEIVED	177,983
RETAINED EARNINGS	1,328,362
NET INCOME (LOSS)	<640,036>

TOTAL EQUITY	866,308

TOTAL LIABILITIES & EQUITY	2,488,021
	=====

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 11/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	57,470	81,937	62,574	285,532	409,685	235,897
Part-Time	11,413	11,295	18,667	34,505	56,475	52,221
Wages-Trade	114,809	94,699	105,829	331,564	473,495	293,212
Auto Allowance	1,971	0	7,604	9,854	0	7,604
Auto Expense	150	2,271	<6,083>	750	11,355	0
Taxes & Benefits	38,194	48,252	34,008	150,624	241,260	125,097
Less: Allocation/Reimbursement	<118,517>	<115,718>	<112,141>	<341,930>	<578,590>	<320,574>
TOTAL LABOR COSTS	105,489	122,736	110,458	470,899	613,680	393,458
Contracted Security	8,347	9,000	4,510	33,377	9,000	24,791
Other Contracted Services	155	183	186	464	915	975
Travel & Entertainment	1,356	1,209	0	5,655	6,045	1,918
Corporate Travel	1,231	833	0	1,452	4,165	129
Meetings & Conventions	20	2,000	0	6,376	10,000	3,030
Dues & Subscriptions	40	42	0	2,023	210	851
Employee Training	0	833	0	0	4,165	0
Computer Expense	5,317	5,417	3,877	17,841	27,085	18,029
Professional Fees	12,970	2,625	3,011	24,559	13,125	11,328
Marketing & Advertising	2,828	2,967	0	32,271	14,835	2,777
Box Office Expenses	<4>	0	345	19	0	188
Small Equipment	0	0	0	0	0	2,498
Trash Removal	713	3,360	1,191	1,925	7,360	4,807
Equipment Rental	747	500	129	3,794	2,500	636
Landscaping	0	0	0	0	0	<69>
Exterminating	0	1,800	375	1,125	1,800	2,175
Construction Costs	3,414	3,200	0	17,174	16,000	2,511
Repairs & Maintenance	1,312	12,084	5,277	16,967	60,420	32,726
Supplies	6,478	14,667	2,890	27,086	73,335	29,378
Bank Service Charges	923	750	1,020	3,377	3,750	3,544
Insurance	11,339	18,010	8,138	40,331	90,050	36,244
Printing & Stationary	238	625	0	1,846	3,125	0
Office Supplies	193	625	34	3,010	3,125	2,016
Postage	396	417	222	889	2,085	231
Parking Expense	2,450	2,000	1,321	9,584	10,000	7,578
Telephone Long Distance	7,311	4,375	3,021	28,755	21,875	14,260
Utilities	31,752	73,750	53,616	157,120	207,250	195,448
Base Fee	19,354	19,525	17,456	96,772	97,625	94,781
Less: Allocated/Reimbursement	<838>	0	<336>	<1,361>	0	<1,066>
TOTAL MATERIAL AND SERVICES	118,042	180,797	106,283	532,432	689,845	491,713
TOTAL INDIRECT EXPENSES	223,531	303,533	216,740	1,003,332	1,303,525	885,171
	=====	=====	=====	=====	=====	=====

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
Arena				
Security System Upgrades	30,000		30,000	Open
Phone System Upgrades	15,000		15,000	Open
Ice Deck Cover	100,000	49,653	50,347	50% Complete
Speaker System - Main Entrance	15,000		15,000	Open
Banquet Room - Interior	25,000		25,000	Open
Total Arena	185,000	49,653	135,347	
DeVos Place				
Total DeVos Place	-	-	-	
Grand Total Capital Improvements	185,000	49,653	135,347	

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Net Revenue above Expenses	1,433,901	(1,572,958)	(139,057)	1,349,134
Benchmark	1,599,958	(1,598,427)	1,531	1,206,573
Excess	(166,057)	25,469	(140,588)	142,561

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Base Fee	232,252	232,252	464,504	454,950
Incentive Fee				
Revenue	4,689,320	2,387,012	7,076,332	7,118,841
Benchmark Revenue	4,335,280	2,380,958	6,716,238	6,237,971
Revenue Excess	354,040	6,054	360,094	880,870
Incentive Fee **	-	-	-	176,173
Total SMG Management Fee	232,252	232,252	464,504	631,123

** 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 NOVEMBER 30, 2003**

Distribution:

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



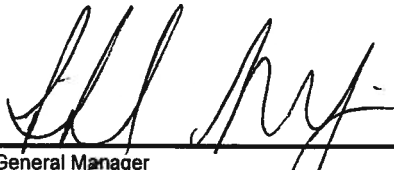
An SMG Managed Facility

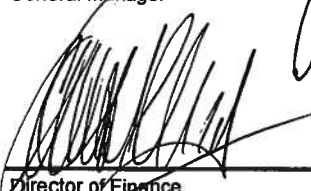
VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2004

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	45	80	125	133	(8)
ATTENDANCE	252,873	473,343	726,216	752,240	(26,024)
DIRECT EVENT INCOME	479,905	694,265	1,174,170	1,235,522	(61,352)
ANCILLARY INCOME	578,193	1,001,927	1,580,120	1,591,062	(10,942)
TOTAL EVENT INCOME	1,058,098	1,696,192	2,754,290	2,826,584	(72,294)
TOTAL OTHER INCOME	853,138	1,081,892	1,935,030	1,915,000	20,030
TOTAL INCOME	1,911,236	2,778,084	4,689,320	4,741,584	(52,264)
INDIRECT EXPENSES					
EXECUTIVE	50,981	54,141	105,122	100,609	(4,513)
FINANCE	62,767	124,925	187,692	190,277	2,585
MARKETING	80,129	130,848	210,977	208,453	(2,524)
OPERATIONS	441,847	722,763	1,164,610	1,177,421	12,811
BOX OFFICE	43,660	63,989	107,649	114,363	6,714
LUXURY SEATING	35,946	75,557	111,503	117,992	6,489
SKYWALK ADMIN	15,362	20,144	35,506	36,146	640
OVERHEAD	478,666	853,694	1,332,360	1,332,801	441
TOTAL INDIRECT EXP.	1,209,358	2,046,061	3,255,419	3,278,062	22,643
NET REVENUE ABOVE EXPENSES	701,879	732,023	1,433,901	1,463,522	(29,621)
LESS ALLOCATION FOR CAPITAL REPLACEMENT	49,653	135,347	185,000	185,000	-
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	652,226	596,676	1,248,901	1,278,522	(29,621)

Comments:

November fell below budget, however, consistent with expectations as the budgeted timing of events shifted in October's favor. When looking at October and November, the facility came in slightly ahead of budget for the month. November was highlighted by a nationally televised Floyd Mayweather boxing event covered by HBO.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED NOVEMBER 30, 2004**

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:

MONTH	November Actual	November Budget	November FY 2003
Number of Events	14	15	22
Attendance	57,689	72,000	78,563
Direct Event Income	\$59,377	\$126,595	\$151,798
Ancillary Income	154,250	157,412	156,247
Other Income	161,976	159,584	171,834
Indirect Expenses	(250,190)	(273,155)	(265,736)
Net Income	<u>\$125,414</u>	<u>\$170,436</u>	<u>\$214,143</u>

YTD	YTD 2004 Actual	YTD 2004 Budget	YTD 2003 Prior Year
Number of Events	45	53	52
Attendance	252,873	298,500	250,381
Direct Event Income	\$479,905	\$564,012	\$570,780
Ancillary Income	578,193	624,304	534,889
Other Income	853,138	797,920	787,025
Indirect Expenses	(1,209,357)	(1,363,715)	(1,231,688)
Net Income	<u>\$701,879</u>	<u>\$622,521</u>	<u>\$661,005</u>
Less Capital	(\$49,653)		(\$123,819)
Net Income after Capital	<u>\$652,226</u>	<u>\$622,521</u>	<u>\$537,187</u>

EVENT INCOME

Event income came in lower than expected due to hosting one less event than budgeted, and the lower than expected attendance for the Aerosmith/Kiss concert.

ANCILLARY INCOME

Ancillary income came in consistent with budget, however, higher than expected as per caps for Boxing, Aerosmith/Kiss, and Alan Jackson were strong across the board.

INDIRECT EXPENSES

Indirect expenses came in slightly lower than expected.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 11/30/03

	-CURRENT-			-YTD-		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	95,809	189,900	228,117	611,568	721,700	708,160
SERVICES INCOME	<36,432>	<63,305>	<76,319>	<131,663>	<157,688>	<137,381>
TOTAL DIRECT EVENT INCOME	59,377	126,595	151,798	479,905	564,012	570,780
ANCILLARY INCOME						

FOOD & BEVERAGE	134,973	127,452	136,907	482,490	502,052	431,317
NOVELTY	13,018	26,880	13,179	86,084	115,692	92,022
OTHER ANCILLARY	6,259	3,080	6,160	9,619	6,560	11,550
TOTAL ANCILLARY INCOME	154,250	157,412	156,247	578,193	624,304	534,889
TOTAL EVENT INCOME	213,627	284,007	308,045	1,058,098	1,188,316	1,105,668
OTHER OPERATING INCOME	161,976	159,584	171,834	853,138	797,920	787,025
ADJUSTED GROSS INCOME	375,604	443,591	479,878	1,911,236	1,986,236	1,892,694
INDIRECT EXPENSES						
EXECUTIVE	8,750	8,258	8,492	50,981	41,290	41,077
FINANCE	12,473	15,732	15,757	62,767	78,660	57,318
MARKETING	16,968	17,606	16,621	80,129	87,220	82,121
LUXURY SEATING	5,158	9,832	12,774	35,946	49,160	46,758
OPERATIONS	91,271	98,117	95,243	441,847	490,585	471,388
BOX OFFICE	8,367	9,531	13,464	43,660	46,405	50,111
SKYWALK ADMINISTRATION	3,152	3,013	1,807	15,362	15,065	12,020
OVERHEAD	104,052	111,066	101,577	478,666	555,330	470,897
INDIRECT EXPENSES	250,190	273,155	265,736	1,209,357	1,363,715	1,231,688
NET OPERATING INCOME	125,414	170,436	214,143	701,879	622,521	661,005
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	837	0	75,965	49,653	0	123,819
OTHER EXPENSES	837	0	75,965	49,653	0	123,819
NET INCOME (LOSS)	124,577	170,436	138,178	652,226	622,521	537,186
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 11/30/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	32,212	0	17,841	132,933	0	117,243
Labor Billed	1,080	2,700	2,700	6,930	7,560	8,152
Changeover Setup Billed	12,736	13,650	16,038	50,329	54,350	55,422
Stagehands Billed	76,140	45,500	44,709	233,926	207,200	241,692
Security Billed	16,339	19,500	20,574	69,272	75,600	81,320
Ushers & Tix Takers Billed	15,097	15,450	18,060	50,969	50,950	60,779
Box Office Billed	903	2,950	2,903	4,128	6,550	5,870
Ticketing Service Billed	32,416	24,150	22,221	105,957	105,150	79,088
Utilities Billed	2,000	0	0	2,000	0	0
City Police Fire Billed	644	1,008	1,018	3,696	4,032	4,882
EMT Medical Billed	1,076	2,150	1,838	6,156	7,675	9,327
Cleaning Billed	12,720	16,400	15,721	46,187	51,800	55,653
Insurance Billed	0	0	0	0	0	455
Group Sales Commissions Billed	0	0	0	327	0	189
Telephone Billed	5,570	3,100	3,247	17,360	13,535	15,556
Damages Billed	0	0	0	350	0	150
Other Production Billed	30,817	12,600	27,505	148,102	60,600	197,854
TOTAL SERVICE INCOME	239,751	159,158	194,375	878,620	645,002	933,632
Advertising Expense	35,115	0	17,484	132,580	0	111,860
Labor Wages	918	2,295	2,295	5,891	6,885	6,929
Contracted Changeover Setup Expense	25,198	22,409	25,976	78,957	79,809	92,834
Stagehand Wages	68,045	51,415	55,061	229,917	217,232	253,091
Contracted Security Expense	31,634	25,700	29,492	100,794	90,980	114,896
Contracted Ushers & T/T Expense	26,259	33,800	39,933	79,901	93,280	101,139
Ticket Sellers Wages	768	0	2,468	3,180	0	4,990
Ticket Sellers P/R Taxes Bene	0	0	0	329	0	0
Ticket Service Charge Expense	23,008	30,150	20,301	93,284	126,150	75,211
City Police Fire Expense	644	1,008	1,018	3,696	5,618	4,882
EMT Medical Expense	2,945	3,419	3,480	9,215	11,295	10,900
Contracted Cleaning Expense	28,503	38,809	41,057	85,474	106,663	104,795
Insurance Expense	0	0	0	12,816	0	9,117
Allocated Telephone Expense	1,790	858	500	5,837	4,178	4,360
Production Expense	31,355	12,600	31,630	168,413	60,600	176,009
TOTAL SERVICE EXPENSE	276,183	222,463	270,695	1,010,283	802,690	1,071,012
NET SERVICE INCOME	<36,432>	<63,305>	<76,319>	<131,663>	<157,688>	<137,381>
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 11/30/03

ASSETS

CURRENT ASSETS

CASH	2,976,525
ACCOUNTS RECEIVABLE	1,533,087
PREPAID EXPENSES	152,674

TOTAL CURRENT ASSETS	4,662,285

FIXED ASSETS

TOTAL ASSETS	4,662,285
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	842,244
ACCRUED EXPENSES	384,245
DEFERRED INCOME	1,050,239
ADVANCED TIX SALES & DEPOSITS	1,255,149

TOTAL CURRENT LIABILITIES	3,531,877

EQUITY

FUNDS REMITTED	<1,800,000>
FUNDING RECEIVED	276,635
RETAINED EARNINGS	2,001,548
NET INCOME (LOSS)	652,226

TOTAL EQUITY	1,130,408

TOTAL LIABILITIES & EQUITY	4,662,285
	=====

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 11/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	47,962	43,608	63,741	250,667	218,040	237,069
Part-Time	4,907	3,068	9,608	18,373	14,530	27,857
Wages-Trade	89,169	78,186	85,192	341,146	390,930	367,343
Auto Allowance	577	0	0	2,885	0	0
Auto Expense	300	835	777	1,500	4,175	3,885
Taxes & Benefits	31,744	33,656	32,233	145,423	168,280	145,769
Less: Allocation/Reimbursement	<83,370>	<61,667>	<75,393>	<304,103>	<309,585>	<333,760>
TOTAL LABOR COSTS	91,289	97,686	116,159	455,892	486,370	448,162
Contracted Security	22,753	19,583	17,826	107,615	97,915	92,178
Contracted Cleaning	2,098	2,167	0	17,211	10,835	8,392
Other Contracted Services	314	300	314	1,570	1,500	1,600
Travel & Entertainment	914	325	768	3,914	1,625	5,121
Corporate Travel	0	625	0	0	3,125	2,873
Meetings & Conventions	372	625	500	1,071	3,125	710
Dues & Subscriptions	0	208	140	2,601	1,040	2,478
Employee Training	0	1,000	<214>	100	5,000	<214>
Miscellaneous Expense	0	0	0	0	0	62
Computer Expense	9,939	5,417	2,623	23,261	27,085	18,763
Professional Fees	520	2,167	1,571	14,987	10,835	10,745
Marketing & Advertising	5,847	8,250	7,641	26,670	41,250	42,278
Box Office Expenses	<61>	0	<592>	<604>	0	<266>
Small Equipment	0	0	0	0	0	972
Trash Removal	586	1,250	1,768	6,035	6,250	7,995
Equipment Rental	1,015	1,300	1,613	5,992	6,500	8,560
Landscaping	0	292	0	0	1,460	0
Exterminating	248	333	248	1,238	1,665	1,238
Cleaning	0	450	0	9,083	2,250	8,739
Repairs & Maintenance	12,396	10,666	2,162	39,725	53,330	36,478
Supplies	7,545	15,091	13,752	38,865	75,455	81,495
Bank Service Charges	1,046	1,000	348	4,078	5,000	2,914
Insurance	10,951	13,699	11,907	48,522	68,495	45,682
Printing & Stationary	0	1,917	<876>	0	9,585	5,406
Office Supplies	624	1,000	1,753	4,000	5,000	6,895
Postage	1,411	1,000	3,354	4,298	5,000	5,565
Parking Expense	1,960	1,592	1,446	11,803	7,960	8,918
Telephone Long Distance	4,077	4,583	4,431	24,039	22,915	20,601
Utilities	59,577	64,150	60,675	278,785	320,750	278,021
Base Fee	19,354	19,525	18,956	96,772	97,625	94,781
Common Area Expense	<2,795>	<2,671>	<1,602>	<11,726>	<13,355>	<10,659>
Less: Allocated/Reimbursement	<1,790>	<375>	<933>	<6,439>	<1,875>	<4,793>
TOTAL MATERIAL AND SERVICES	158,901	175,469	149,577	753,465	877,345	783,526
TOTAL INDIRECT EXPENSES	250,190	273,155	265,736	1,209,357	1,363,715	1,231,688

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
Arena				
Security System Upgrades	30,000		30,000	Open
Phone System Upgrades	15,000		15,000	Open
Ice Deck Cover	100,000	49,653	50,347	50% Complete
Speaker System - Main Entrance	15,000		15,000	Open
Banquet Room - Interior	25,000		25,000	Open
Total Arena	185,000	49,653	135,347	
DeVos Place				
Total DeVos Place	-	-	-	
Grand Total Capital Improvements	185,000	49,653	135,347	

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Net Revenue above Expenses	1,433,901	(1,572,958)	(139,057)	1,349,134
Benchmark	1,599,958	(1,598,427)	1,531	1,206,573
Excess	(166,057)	25,469	(140,588)	142,561

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Base Fee	232,252	232,252	464,504	454,950
Incentive Fee				
Revenue	4,689,320	2,387,012	7,076,332	7,118,841
Benchmark Revenue	4,335,280	2,380,958	6,716,238	6,237,971
Revenue Excess	354,040	6,054	360,094	880,870
Incentive Fee **	-	-	-	176,173
Total SMG Management Fee	232,252	232,252	464,504	631,123

** 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 DECEMBER 31, 2003**

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

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

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	125	220	345	292	53
ATTENDANCE	144,662	416,025	560,687	557,075	3,612
DIRECT EVENT REVENUE	390,273	1,110,817	1,501,090	1,406,774	94,316
ANCILLARY REVENUE	250,870	513,407	764,277	792,184	(27,907)
TOTAL EVENT REVENUE	641,143	1,624,224	2,265,367	2,198,958	66,409
TOTAL OTHER REVENUE	53,730	102,458	156,188	182,000	(25,812)
TOTAL OPERATING REVENUE	694,873	1,726,682	2,421,555	2,380,958	40,597
INDIRECT EXPENSES					
EXECUTIVE	67,027	55,471	122,498	112,208	(10,290)
FINANCE	81,719	101,358	183,077	198,711	15,634
MARKETING	25,288	47,025	72,313	76,439	4,126
OPERATIONS	256,016	550,841	806,857	799,347	(7,510)
EVENT SERVICES	243,577	526,951	770,528	748,260	(22,268)
BOX OFFICE	36,187	42,657	78,844	81,644	2,800
SALES	81,828	59,210	141,038	133,188	(7,850)
OVERHEAD	622,895	1,236,014	1,858,909	1,829,584	(29,325)
TOTAL OPERATING EXP.	1,414,538	2,619,527	4,034,064	3,979,385	(54,683)
NET REVENUE ABOVE EXPENSES	(719,665)	(892,845)	(1,612,509)	(1,598,427)	(14,086)
CAPITAL					-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(719,665)	(892,845)	(1,612,509)	(1,598,427)	(14,086)

Comments:

December marks not only the half way point of the fiscal year, but the first month of operation of Phase II of DeVos Place. Bookings for the final 6 months of the fiscal year have been forecasted up as new events have been added. Expenses were high for December, however, we anticipate that these will level off and end the fiscal year slightly higher than budgeted.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED DECEMBER 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:

MONTH	December Actual	December Budget	December FY 2003
Number of Events	38	35	35
Attendance	62,381	74,550	46,686
Direct Event Income	\$128,366	\$151,008	\$118,528
Ancillary Income	178,364	247,938	37,661
Other Income	24,799	15,166	17,378
Indirect Expenses	(411,206)	(378,366)	(195,274)
Net Income	(\$79,677)	\$35,746	(\$21,708)

YTD	YTD 2004 Actual	YTD 2004 Budget	YTD 2003 Prior Year
Number of Events	125	117	171
Attendance	144,662	186,260	148,091
Direct Event Income	\$390,273	\$434,960	\$614,654
Ancillary Income	250,870	329,967	198,368
Other Income	53,730	90,996	52,392
Indirect Expenses	(1,414,538)	(1,681,891)	(1,080,446)
Net Income	(\$719,665)	(\$825,968)	(\$215,032)

Less Capital

Net Income after Capital	(\$719,665)	(\$825,968)	(\$215,032)
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EVENT INCOME

Event income came in below budgeted levels for the month. This was mainly due to higher event labor associated with the events that we did host, and not hosting a Supersale that was originally scheduled.

ANCILLARY INCOME

Ancillary income fell below expectations for the month as electrical and decorator revenue generated from the Woodworkers show was lower than expected. Spending in these categories met or exceeded expectations for other events held during the month, and it is anticipated that this will be the trend going forward.

INDIRECT EXPENSES

Indirect expenses came in higher than budgeted for the month. Utility expense exceeded expectations, however, savings were seen in other areas. Forecast has been ramped up for utilities, however, still too early to determine if December is the start of a trend, or over budget due to learning the systems that are in the facility.

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 12/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	122,428	139,050	105,383	360,223	397,351	601,584
SERVICES INCOME	5,938	11,958	13,145	30,050	37,609	13,070
TOTAL DIRECT EVENT INCOME	128,366	151,008	118,528	390,273	434,960	614,654
ANCILLARY INCOME						

FOOD & BEVERAGE	42,519	45,954	17,218	67,195	73,624	76,687
NOVELTY	1,950	1,250	516	6,784	5,500	9,740
TELECOMMUNICATIONS	0	0	0	0	0	1,747
ELECTRICAL	69,112	85,760	1,143	72,142	94,000	5,997
OTHER ANCILLARY	64,783	114,974	18,783	104,749	156,843	104,197
TOTAL ANCILLARY INCOME	178,364	247,938	37,661	250,870	329,967	198,368
TOTAL EVENT INCOME	306,730	398,946	156,189	641,143	764,927	813,022
OTHER OPERATING INCOME	24,799	15,166	17,378	53,730	90,996	52,392
ADJUSTED GROSS INCOME	331,529	414,112	173,567	694,873	855,923	865,414
INDIRECT EXPENSES						
EXECUTIVE	10,007	9,352	8,346	67,027	56,112	46,134
FINANCE	13,063	16,559	13,379	81,719	99,354	78,044
MARKETING	2,621	6,370	3,880	25,288	38,220	18,616
OPERATIONS	60,774	66,667	35,793	256,016	383,362	201,087
EVENT MANAGEMENT	67,931	68,856	37,668	243,577	332,136	232,946
BOX OFFICE	5,657	6,802	5,538	36,187	40,812	36,954
SALES	9,891	11,100	0	81,828	66,600	0
OVERHEAD	241,263	192,660	90,669	622,895	665,295	466,665
INDIRECT EXPENSES	411,206	378,366	195,274	1,414,538	1,681,891	1,080,446
NET OPERATING INCOME	<79,677>	35,746	<21,708>	<719,665>	<825,968>	<215,032>
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	<48>	0	0	0	0	0
OTHER EXPENSES	<48>	0	0	0	0	0
NET INCOME (LOSS)	<79,629>	35,746	<21,708>	<719,665>	<825,968>	<215,032>
=====	=====	=====	=====	=====	=====	=====

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 12/31/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	0	16,831	0	11,356
Changeover Setup Billed	630	0	0	630	0	0
Stagehands Billed	114,252	114,700	115,536	346,535	326,650	298,905
Security Billed	8,138	15,800	5,875	20,394	38,755	25,021
Ushers & Tix Takers Billed	16,922	23,050	18,531	48,676	61,725	55,759
Box Office Billed	2,400	2,900	2,400	7,100	8,600	8,750
Ticketing Service Billed	30,094	23,738	20,869	58,551	66,901	53,237
Utilities Billed	0	0	0	300	0	0
City Police Fire Billed	3,235	1,300	2,364	7,764	2,850	5,665
Traffic Control Billed	1,703	4,850	737	1,897	5,045	1,277
EMT Medical Billed	2,700	3,375	2,373	8,028	9,569	8,080
Cleaning Billed	88	0	0	163	0	324
Insurance Billed	0	0	25	786	0	1,331
Telephone Billed	1,155	1,425	856	6,600	4,425	7,681
Other Production Billed	771	0	2,276	12,683	0	14,033
TOTAL SERVICE INCOME	182,088	191,138	171,842	536,939	524,520	491,419
Advertising Expense	0	0	0	16,831	0	11,375
Stagehand Wages	109,128	111,259	111,941	333,968	316,852	286,211
Security Wages	0	15,800	0	0	38,755	0
Contracted Security Expense	7,538	0	5,875	20,265	0	25,027
Ushers & T/T Wages	11,845	16,135	12,972	33,581	43,208	39,032
Ticket Sellers Wages	901	2,135	1,622	3,430	6,130	7,184
Ticket Service Charge Expense	12,194	9,251	7,505	24,987	26,372	19,733
City Police Fire Expense	3,235	0	2,364	7,764	1,600	5,373
Traffic Control Expense	2,763	9,125	1,376	4,508	11,820	6,802
EMT Medical Expense	2,930	3,325	1,821	6,903	9,419	6,220
Production Materials	0	0	0	492	0	0
Cleaning Wages	0	12,150	10,927	14,146	32,755	56,373
Contracted Cleaning Expense	21,196	0	0	21,196	0	0
Contracted Exhibit Expense	3,000	0	0	3,000	0	0
Insurance Expense	0	0	25	674	0	1,038
Allocated Telephone Expense	289	0	214	1,650	0	698
Production Expense	1,132	0	2,055	13,494	0	13,285
TOTAL SERVICE EXPENSE	176,150	179,180	158,696	506,890	486,911	478,349
NET SERVICE INCOME	5,938	11,958	13,145	30,050	37,609	13,070

DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 12/31/03

ASSETS

CURRENT ASSETS

CASH	2,256,637
ACCOUNTS RECEIVABLE	583,181
PREPAID EXPENSES	113,617

TOTAL CURRENT ASSETS	2,953,434

FIXED ASSETS

TOTAL ASSETS	2,953,434
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	981,278
ACCRUED EXPENSES	172,279
ADVANCED TIX SALES & DEPOSITS	829,059

TOTAL CURRENT LIABILITIES	1,982,616

EQUITY

FUNDING RECEIVED	362,122
RETAINED EARNINGS	1,328,362
NET INCOME (LOSS)	<719,665>

TOTAL EQUITY	970,818

TOTAL LIABILITIES & EQUITY	2,953,434
	=====

5

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 12/31/03

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	52,422	81,937	45,100	337,954	491,622	280,997
Part-Time	14,295	11,295	17,926	48,800	67,770	70,148
Wages-Trade	142,047	94,699	120,261	473,611	568,194	413,473
Auto Allowance	1,971	0	1,521	11,825	0	9,125
Auto Expense	150	2,271	0	900	13,626	0
Taxes & Benefits	46,384	48,252	36,608	197,008	289,512	161,705
Less: Allocation/Reimbursement	<138,085>	<115,718>	<150,453>	<480,015>	<694,308>	<471,027>
TOTAL LABOR COSTS	119,183	122,736	70,962	590,082	736,416	464,421
Contracted Security	27,424	18,000	8,132	60,801	27,000	32,924
Other Contracted Services	155	183	186	619	1,098	1,160
Travel & Entertainment	932	1,209	1,262	6,588	7,254	3,179
Corporate Travel	641	833	522	2,092	4,998	651
Meetings & Conventions	0	2,000	65	6,376	12,000	3,095
Dues & Subscriptions	325	42	529	2,348	252	1,379
Employee Training	0	833	144	0	4,998	144
Computer Expense	2,394	5,417	3,546	20,235	32,502	21,575
Professional Fees	3,867	2,625	2,688	28,426	15,750	14,016
Marketing & Advertising	1,010	2,967	1,195	33,281	17,802	3,972
Box Office Expenses	11	0	<141>	30	0	47
Small Equipment	0	0	0	0	0	2,498
Trash Removal	3,476	3,360	160	5,401	10,720	4,967
Equipment Rental	779	500	295	4,573	3,000	931
Landscaping	0	0	0	0	0	<69>
Exterminating	0	1,800	375	1,125	3,600	2,550
Construction Costs	4,406	3,200	0	21,580	19,200	2,511
Repairs & Maintenance	770	12,084	6,116	17,737	72,504	38,843
Supplies	11,242	14,667	12,673	38,328	88,002	42,051
Bank Service Charges	843	750	1,108	4,220	4,500	4,652
Insurance	13,550	18,010	9,189	53,881	108,060	45,433
Printing & Stationary	0	625	0	1,846	3,750	0
Office Supplies	1,380	625	938	4,390	3,750	2,953
Postage	18	417	0	907	2,502	231
Parking Expense	2,475	2,000	1,541	12,058	12,000	9,119
Telephone Long Distance	13,120	4,375	3,047	41,875	26,250	17,307
Utilities	184,140	139,583	52,000	341,260	346,833	247,448
Base Fee	19,354	19,525	18,956	116,126	117,150	113,737
Less: Allocated/Reimbursement	<289>	0	<214>	<1,650>	0	<1,280>
TOTAL MATERIAL AND SERVICES	292,023	255,630	124,312	824,456	945,475	616,025
TOTAL INDIRECT EXPENSES	411,206	378,366	195,274	1,414,538	1,681,891	1,080,446

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
Arena				
Security System Upgrades	30,000		30,000	Open
Phone System Upgrades	15,000		15,000	Open
Ice Deck Cover	100,000	49,653	50,347	50% Complete
Speaker System - Main Entrance	15,000		15,000	Open
Banquet Room - Interior	25,000		25,000	Open
Total Arena	185,000	49,653	135,347	
DeVos Place				
Total DeVos Place	-	-	-	
Grand Total Capital Improvements	185,000	49,653	135,347	

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Net Revenue above Expenses	1,331,937	(1,612,509)	(280,572)	1,349,134
Benchmark	1,599,958	(1,598,427)	1,531	1,206,573
Excess	(268,021)	(14,082)	(282,103)	142,561

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Base Fee	232,252	232,252	464,504	454,950
Incentive Fee				
Revenue	4,512,517	2,421,555	6,934,072	7,118,841
Benchmark Revenue	4,335,280	2,380,958	6,716,238	6,237,971
Revenue Excess	177,237	40,597	217,834	880,870
Incentive Fee **	-	-	-	176,173
Total SMG Management Fee	232,252	232,252	464,504	631,123

** 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 DECEMBER 31, 2003**

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


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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	51	73	124	133	(9)
ATTENDANCE	286,223	422,152	708,375	752,240	(43,865)
DIRECT EVENT INCOME	547,383	583,493	1,130,876	1,235,522	(104,646)
ANCILLARY INCOME	656,612	749,601	1,406,213	1,591,062	(184,849)
TOTAL EVENT INCOME	1,203,995	1,333,094	2,537,089	2,826,584	(289,495)
TOTAL OTHER INCOME	1,012,970	962,458	1,975,428	1,915,000	60,428
TOTAL INCOME	2,216,965	2,295,552	4,512,517	4,741,584	(229,067)
INDIRECT EXPENSES					
EXECUTIVE	58,592	52,530	111,122	100,609	(10,513)
FINANCE	75,476	100,216	175,692	190,277	14,585
MARKETING	94,594	102,741	197,335	208,453	11,118
OPERATIONS	519,272	628,472	1,147,744	1,177,421	29,677
BOX OFFICE	50,872	57,584	108,456	114,363	5,907
LUXURY SEATING	43,904	69,028	112,932	117,992	5,060
SKYWALK ADMIN	18,474	19,478	37,952	36,146	(1,806)
OVERHEAD	585,876	703,471	1,289,347	1,332,801	43,454
TOTAL INDIRECT EXP.	1,447,060	1,733,520	3,180,580	3,278,062	97,482
NET REVENUE ABOVE EXPENSES	769,905	562,032	1,331,937	1,463,522	(131,585)
LESS ALLOCATION FOR CAPITAL REPLACEMENT	49,653	135,347	185,000	185,000	-
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	720,252	426,685	1,146,937	1,278,522	(131,585)

Comments:

December marks the end of the first half of the fiscal year. The Arena has performed below expectations in terms of event income for the year, however, that has been offset by lower than expected indirect expenses. The forecast reflects the Arena performing slightly below expectations in terms of event income, and losing some of the savings that were seen in the first half for indirect expenses. Overall, the Arena is expected to fall approximately \$130,000 below budgeted expectations for the fiscal year.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED DECEMBER 31, 2004**

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:

MONTH	December Actual	December Budget	December FY 2003
Number of Events	10	9	12
Attendance	59,843	53,000	71,583
Direct Event Income	\$67,478	\$80,676	\$104,510
Ancillary Income	78,419	134,187	136,439
Other Income	159,832	159,584	161,519
Indirect Expenses	(237,703)	(273,035)	(261,659)
Net Income	<u>\$68,026</u>	<u>\$101,412</u>	<u>\$140,809</u>

YTD	YTD 2004 Actual	YTD 2004 Budget	YTD 2003 Prior Year
Number of Events	51	53	64
Attendance	286,223	298,500	321,964
Direct Event Income	\$547,383	\$644,688	\$675,290
Ancillary Income	656,612	758,491	671,328
Other Income	1,012,970	957,504	948,545
Indirect Expenses	(1,447,060)	(1,636,750)	(1,493,348)
Net Income	<u>\$769,905</u>	<u>\$723,933</u>	<u>\$801,815</u>
Less Capital	(\$49,653)		(\$140,811)
Net Income after Capital	<u>\$720,252</u>	<u>\$723,933</u>	<u>\$661,004</u>

EVENT INCOME

Event income came in lower than expected due to Gordon Food Service shifting their annual Holiday event mainly to the DeVos Place. The shortfall from that shift was more than made up for by the revenue generated at DeVos Place.

ANCILLARY INCOME

Ancillary income came in below expectations due to the Gordon Food Service event, as well as, the concerts held during the month performing below traditional concert averages. While ancillary income for the TSO & Amy/Vince dates were low, it should be noted that attendance at each of the shows was the best dates on each of their respective tours.

INDIRECT EXPENSES

Indirect expenses came in below budget for the month. This is due to savings in utilities, repairs and maintenance, and supplies. The forecast does not reflect that those savings will continue through the balance of the fiscal year.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 12/31/03

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	103,716	121,100	155,423	715,285	842,800	863,584
SERVICES INCOME	<36,239>	<40,424>	<50,913>	<167,902>	<198,112>	<188,294>
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	67,478	80,676	104,510	547,383	644,688	675,290
ANCILLARY INCOME						

FOOD & BEVERAGE	70,831	112,767	113,155	553,321	614,819	544,472
NOVELTY	2,968	16,800	17,025	89,052	132,492	109,047
OTHER ANCILLARY	4,620	4,620	6,259	14,239	11,180	17,809
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	78,419	134,187	136,439	656,612	758,491	671,328
	-----	-----	-----	-----	-----	-----
TOTAL EVENT INCOME	145,897	214,863	240,949	1,203,995	1,403,179	1,346,618
OTHER OPERATING INCOME	159,832	159,584	161,519	1,012,970	957,504	948,545
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	305,729	374,447	402,469	2,216,965	2,360,683	2,295,162
INDIRECT EXPENSES						
EXECUTIVE	7,610	8,258	7,363	58,592	49,548	48,440
FINANCE	12,709	15,732	14,339	75,476	94,392	71,656
MARKETING	14,466	17,486	14,491	94,594	104,706	96,612
LUXURY SEATING	7,958	9,832	12,165	43,904	58,992	58,923
OPERATIONS	77,425	98,117	87,370	519,272	588,702	558,758
BOX OFFICE	7,212	9,531	6,041	50,872	55,936	56,152
SKYWALK ADMINISTRATION	3,111	3,013	2,797	18,474	18,078	14,818
OVERHEAD	107,211	111,066	117,093	585,876	666,396	587,990
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	237,703	273,035	261,659	1,447,060	1,636,750	1,493,348
	-----	-----	-----	-----	-----	-----
NET OPERATING INCOME	68,026	101,412	140,809	769,905	723,933	801,815
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	16,991	49,653	0	140,811
	-----	-----	-----	-----	-----	-----
OTHER EXPENSES	0	0	16,991	49,653	0	140,811
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	68,026	101,412	123,818	720,252	723,933	661,004
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 12/31/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	14,755	0	26,654	147,688	0	143,896
Labor Billed	1,508	1,780	2,160	8,438	9,340	10,312
Changeover Setup Billed	12,168	10,200	14,913	62,497	64,550	70,335
Stagehands Billed	46,952	54,200	65,025	280,878	261,400	306,717
Security Billed	9,890	13,800	15,349	79,161	89,400	96,670
Ushers & Tix Takers Billed	10,552	10,600	13,394	61,521	61,550	74,172
Box Office Billed	903	800	946	5,031	7,350	6,816
Ticketing Service Billed	17,864	16,000	19,379	123,822	121,150	98,467
Utilities Billed	0	0	0	2,000	0	0
City Police Fire Billed	532	1,200	840	4,228	5,232	5,722
EMT Medical Billed	1,102	125	1,703	7,258	7,800	11,030
Cleaning Billed	8,239	10,450	13,208	54,426	62,250	68,861
Insurance Billed	0	0	0	0	0	455
Group Sales Commissions Billed	0	0	0	327	0	189
Telephone Billed	1,660	2,850	4,180	19,020	16,385	19,736
Damages Billed	0	0	0	350	0	150
Other Production Billed	30,974	58,000	75,930	179,075	118,600	273,784
TOTAL SERVICE INCOME	157,098	180,005	253,680	1,035,719	825,007	1,187,312
Advertising Expense	15,270	0	26,845	147,850	0	138,704
Labor Wages	1,740	1,513	1,836	7,631	8,398	8,765
Contracted Changeover Setup Expense	26,121	20,373	30,178	105,078	100,182	123,012
Stagehand Wages	46,083	53,646	62,227	276,000	270,878	315,318
Contracted Security Expense	15,040	19,440	25,119	115,834	110,420	140,015
Contracted Ushers & T/T Expense	20,950	22,640	25,875	100,851	115,920	127,014
Ticket Sellers Wages	768	0	804	3,947	0	5,794
Ticket Sellers P/R Taxes Bene	0	0	0	329	0	0
Ticket Service Charge Expense	14,828	16,000	16,089	108,112	142,150	91,299
City Police Fire Expense	532	672	840	4,228	6,290	5,722
EMT Medical Expense	1,591	2,352	2,615	10,806	13,647	13,515
Contracted Cleaning Expense	19,736	25,100	36,366	105,211	131,763	141,161
Insurance Expense	0	0	0	12,816	0	9,117
Allocated Telephone Expense	553	693	1,100	6,390	4,871	5,460
Production Expense	30,125	58,000	74,700	198,538	118,600	250,709
TOTAL SERVICE EXPENSE	193,337	220,429	304,593	1,203,620	1,023,119	1,375,606
NET SERVICE INCOME	<36,239>	<40,424>	<50,913>	<167,902>	<198,112>	<188,294>
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 12/31/03

ASSETS

CURRENT ASSETS

CASH	2,872,528
ACCOUNTS RECEIVABLE	1,433,180
PREPAID EXPENSES	167,325

TOTAL CURRENT ASSETS	4,473,033
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FIXED ASSETS

TOTAL ASSETS	4,473,033
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	402,939
ACCRUED EXPENSES	417,677
DEFERRED INCOME	904,547
ADVANCED TIX SALES & DEPOSITS	1,477,666

TOTAL CURRENT LIABILITIES	3,202,829
---------------------------	-----------

EQUITY

FUNDS REMITTED	<1,800,000>
FUNDING RECEIVED	348,404
RETAINED EARNINGS	2,001,548
NET INCOME (LOSS)	720,252

TOTAL EQUITY	1,270,204
--------------	-----------

TOTAL LIABILITIES & EQUITY	4,473,033
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VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 12/31/03

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	46,682	43,608	44,878	297,349	261,648	281,946
Part-Time	5,607	2,948	6,076	23,980	17,478	33,933
Wages-Trade	70,846	78,186	81,753	411,992	469,116	449,095
Auto Allowance	577	0	777	3,463	0	777
Auto Expense	300	835	0	1,800	5,010	3,885
Taxes & Benefits	29,828	33,656	30,271	175,252	201,936	176,040
Less: Allocation/Reimbursement	<62,333>	<61,667>	<81,317>	<366,436>	<371,252>	<415,077>
TOTAL LABOR COSTS	91,506	97,566	82,438	547,398	583,936	530,600
Contracted Security	19,400	19,583	17,268	127,015	117,498	109,446
Contracted Cleaning	1,711	2,167	2,098	18,922	13,002	10,490
Other Contracted Services	314	300	349	1,884	1,800	1,949
Travel & Entertainment	246	325	613	4,160	1,950	5,734
Corporate Travel	0	625	522	0	3,750	3,395
Meetings & Conventions	0	625	0	1,071	3,750	710
Dues & Subscriptions	0	208	0	2,601	1,248	2,478
Employee Training	0	1,000	144	100	6,000	<70>
Miscellaneous Expense	0	0	0	0	0	62
Computer Expense	2,419	5,417	5,943	25,679	32,502	24,705
Professional Fees	1,875	2,167	5,584	16,862	13,002	16,329
Marketing & Advertising	4,809	8,250	10,058	31,479	49,500	52,336
Box Office Expenses	46	0	614	<559>	0	348
Small Equipment	2,594	0	0	2,594	0	972
Trash Removal	711	1,250	1,516	6,746	7,500	9,511
Equipment Rental	904	1,300	1,450	6,896	7,800	10,010
Landscaping	0	292	0	0	1,752	0
Exterminating	248	333	248	1,485	1,998	1,485
Cleaning	0	450	0	9,083	2,700	8,739
Repairs & Maintenance	2,093	10,666	1,708	41,818	63,996	38,186
Supplies	2,892	15,091	20,223	41,757	90,546	101,718
Bank Service Charges	600	1,000	1,728	4,678	6,000	4,642
Insurance	10,067	13,699	19,622	58,589	82,194	65,304
Printing & Stationary	0	1,917	0	0	11,502	5,406
Office Supplies	0	1,000	852	4,000	6,000	7,747
Postage	147	1,000	2,258	4,445	6,000	7,823
Parking Expense	1,906	1,592	1,497	13,708	9,552	10,415
Telephone Long Distance	4,641	4,583	5,151	28,680	27,498	25,752
Utilities	72,533	64,150	64,400	351,318	384,900	342,421
Base Fee	19,354	19,525	18,956	116,126	117,150	113,738
Common Area Expense	<2,759>	<2,671>	<2,481>	<14,486>	<16,026>	<13,140>
Less: Allocated/Reimbursement	<553>	<375>	<1,100>	<6,992>	<2,250>	<5,893>
TOTAL MATERIAL AND SERVICES	146,197	175,469	179,222	899,662	1,052,814	962,748
TOTAL INDIRECT EXPENSES	237,703	273,035	261,659	1,447,060	1,636,750	1,493,348
=====						

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
Arena				
Security System Upgrades	30,000		30,000	Open
Phone System Upgrades	15,000		15,000	Open
Ice Deck Cover	100,000	49,653	50,347	50% Complete
Speaker System - Main Entrance	15,000		15,000	Open
Banquet Room - Interior	25,000		25,000	Open
Total Arena	185,000	49,653	135,347	
DeVos Place				
Total DeVos Place	-	-	-	
Grand Total Capital Improvements	185,000	49,653	135,347	

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Net Revenue above Expenses	1,331,937	(1,612,509)	(280,572)	1,349,134
Benchmark	1,599,958	(1,598,427)	1,531	1,206,573
Excess	(268,021)	(14,082)	(282,103)	142,561

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2003 Act/Est
Base Fee	232,252	232,252	464,504	454,950
Incentive Fee				
Revenue	4,512,517	2,421,555	6,934,072	7,118,841
Benchmark Revenue	4,335,280	2,380,958	6,716,238	6,237,971
Revenue Excess	177,237	40,597	217,834	880,870
Incentive Fee **	-	-	-	176,173
Total SMG Management Fee	232,252	232,252	464,504	631,123

** 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**

INTERIM FINANCIAL STATEMENTS

Five Months Ended November 30, 2003



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ACCOUNTANTS' REPORT

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

We have compiled the accompanying statements of cash receipts and disbursements - budget to actual for the operating and construction accounts of the Grand Rapids - Kent County Convention / Arena Authority for the five months ended November 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 net assets, cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Grand Rapids - Kent County Convention / Arena Authority.

Beene Garter LLP

January 14, 2004
Grand Rapids, Michigan

Big enough to be experts, small enough to careSM

AUDIT, TAX & ADVISORY SERVICES EMPLOYER SUPPORT SERVICES WEALTH MANAGEMENT SERVICES

A MEMBER OF MOORE STEPHENS INTERNATIONAL

INTERIM FINANCIAL STATEMENTS

Statement A

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Operating Accounts) From July 1, 2003 to November 30, 2003

	OPERATING ACCOUNT			
	Facilities Operations Budget	Actual	Capital Replacement Budget	Actual
RECEIPTS				
Facility Operations	\$ 1,827,565	\$ 1,800,000	\$ -	\$ -
Land Lease	107,000	44,505	-	-
Interest on Investments	20,000	5,303	12,000	3,114
Capital Replacement Reserve Transfer	930,402	-	(930,402)	-
Miscellaneous Revenue	8,000	-	-	-
TOTAL RECEIPTS	2,892,967	1,849,808	(918,402)	3,114
DISBURSEMENTS				
Accounting / Auditing Services	59,245	7,112	-	-
Insurance - Property and Liability	33,595	3,846	-	-
Legal Services	32,000	15,583	-	-
Other Contractual Services	42,000	-	-	-
Pedestrian Safety	95,000	-	-	-
Facility Management Fees	-	176,173	-	-
Meeting Expense	890	111	-	-
Supplies	1,000	112	-	-
Transfer to Construction Account	1,000,000	-	-	-
Sub-total Service Disbursements	1,263,730	202,937	-	-
Electricity	1,031,332	241,290	-	-
Steam	831,834	116,346	-	-
Water and Sewer	99,300	20,150	-	-
Sub-total Utility Disbursements	1,962,466	377,786	-	-
Building Additions and Improvements	-	-	70,000	-
Facility Equipment Acquisition	-	-	115,000	-
Sub-total Capital Disbursements	-	-	185,000	-
Employee Wages	53,300	22,550	-	-
Employee Benefits	17,366	6,985	-	-
Sub-total Payroll Disbursements	70,666	29,535	-	-
TOTAL DISBURSEMENTS	3,296,862	610,258	185,000	-
Excess / (Deficit) of Funds	\$ (403,895)	\$ 1,239,550	\$ (1,103,402)	\$ 3,114
Net Assets - Beginning of Year	3,403,895		1,596,704	
Net Assets - End of Year	\$ 3,000,000		\$ 518,302	
	See Comments 1, 2 and 3		See Comments 1, 2 and 3	

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.

Comment 3: Activity on this statement is represented by the following account:
Cash balance as of November 30, 2003

Authority Operating Account \$ 2,982,103

Statement B

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

	Convention Center Construction		
	Budget	Actual	Retainage
RECEIPTS			
Grand Action	\$ 32,048,961	\$ 6,338,961	\$ -
Downtown Development Authority	10,000,000	5,000,000	-
County of Kent	5,000,000	-	-
City of Grand Rapids - grant proceeds	3,528,884	-	-
Miscellaneous Revenue	-	240,000	-
Transfer from Operating Fund	1,000,000	-	-
Transfer from Construction Fund	-	-	1,100,718
Interest on Retainage	-	-	18,573
Interest on Investments	397,550	158,429	-
TOTAL RECEIPTS	51,975,395	11,737,390	1,119,291
DISBURSEMENTS			
Architectural and Engineering Services	4,605,255	928,364	-
Construction Material Testing	583,610	121,721	-
Construction - GMP Contractor	56,390,602	20,199,180	1,435,943
Sub-total Contractor Disbursements	61,579,467	21,249,265	1,435,943
Transfer to Retainage Account		1,100,718	
Accounting / Auditing Services	-	11,050	-
Insurance - Property / Liability	116,100	116,100	-
Legal Services	7,000	2,788	-
Owner's Representatives	245,000	112,803	-
Other Contractual Services	1,141,035	1,040,505	-
Telephone	2,000	548	-
Sub-total Service Disbursements	1,511,135	1,283,794	-
Facility Equipment Acquisition	-	76,605	-
Facility Furniture Acquisition	-	672,491	-
Sub-total Supply Disbursements	-	749,096	-
TOTAL DISBURSEMENTS	63,090,602	24,382,873	1,435,943
Excess / (Deficit) of Funds	\$ (11,115,207)	\$ (12,645,483)	\$ (316,652)
Net Assets - Beginning of Year	33,271,289		
Net Assets - End of Year	\$ 22,156,082		
	See Comments 1 and 2		
Comment 1: Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on March 26, 2003.			
Comment 2: Activity on this statement is represented by the following accounts:			
Authority construction cash and equivalents balances as of November 30, 2003			
	Sweep	\$ (105,456)	
	Maxsaver	7,667,419	
	Investments	17,945,517	
Sub-total related Authority Construction Cash and Equivalents		25,507,481	
	Retainage	4,552,364	
Total Cash and Equivalents		\$ 30,059,845	

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

INTERIM FINANCIAL STATEMENTS

Six Months Ended December 31, 2003



BEENE GARTER LLP

50 MONROE AVE. NW

616.235.5200 PHONE

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800.824.7882

GRAND RAPIDS, MI

616.235.5285 FAX

49503-2679

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ACCOUNTANTS' REPORT

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

We have compiled the accompanying statements of cash receipts and disbursements - budget to actual for the operating and construction accounts of the Grand Rapids - Kent County Convention / Arena Authority for the six months ended December 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 net assets, cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Grand Rapids - Kent County Convention / Arena Authority.

Beene Garter LLP

January 14, 2004
Grand Rapids, Michigan

Big enough to be experts, small enough to careSM

AUDIT, TAX & ADVISORY SERVICES EMPLOYER SUPPORT SERVICES WEALTH MANAGEMENT SERVICES

A MEMBER OF MOORE STEPHENS INTERNATIONAL

INTERIM FINANCIAL STATEMENTS

Statement A

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

	OPERATING ACCOUNTS			
	Facilities Operations		Capital Replacement	
	Budget	Actual	Budget	Actual
RECEIPTS				
Facility Operations	\$ 1,827,565	\$ 1,800,000	\$ -	\$ -
Land Lease	107,000	53,406	-	-
Interest on Investments	20,000	6,816	12,000	4,003
Capital Replacement Reserve Transfer	930,402	-	(930,402)	-
Miscellaneous Revenue	8,000	18,797	-	-
TOTAL RECEIPTS	2,892,967	1,879,019	(918,402)	4,003
DISBURSEMENTS				
Accounting / Auditing Services	59,245	8,057	-	-
Insurance - Property and Liability	33,595	3,846	-	-
Legal Services	32,000	17,054	-	-
Other Contractual Services	42,000	-	-	-
Pedestrian Safety	95,000	-	-	-
Facility Management Fees	-	176,173	-	-
Meeting Expense	890	138	-	-
Supplies	1,000	113	-	-
Transfer to Construction Account	1,000,000	-	-	-
Sub-total Service Disbursements	1,263,730	205,381	-	-
Electricity	1,031,332	292,079	-	-
Steam	831,834	189,704	-	-
Water and Sewer	99,300	24,868	-	-
Sub-total Utility Disbursements	1,962,466	506,651	-	-
Building Additions and Improvements	-	-	70,000	-
Facility Equipment Acquisition	-	-	115,000	-
Sub-total Capital Disbursements	-	-	185,000	-
Employee Wages	53,300	26,740	-	-
Employee Benefits	17,366	8,244	-	-
Sub-total Payroll Disbursements	70,666	34,984	-	-
TOTAL DISBURSEMENTS	3,296,862	747,016	185,000	-
Excess / (Deficit) of Funds	\$ (403,895)	\$ 1,132,003	\$ (1,103,402)	\$ 4,003
Net Assets - Beginning of Year	3,403,895		1,596,704	
Net Assets - End of Year	\$ 3,000,000		\$ 518,302	
	See Comments		See Comments	
	1, 2 and 3		1, 2 and 3	

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.

Comment 3: Activity on this statement is represented by the following account:

Cash balance as of December 31, 2003

Authority Operating Account \$ 2,875,445



BEENE GARTER LLP

See accountants' report

Statement B

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

	Convention Center Construction		
	Budget	Actual	Retainage
RECEIPTS			
Grand Action	\$ 32,048,961	\$ 10,338,961	\$ -
Downtown Development Authority	10,000,000	10,000,000	-
County of Kent	5,000,000	282,000	-
City of Grand Rapids - grant proceeds	3,528,884	-	-
Miscellaneous Revenue	-	240,175	-
Transfer from Operating Fund	1,000,000	-	-
Transfer from Construction Fund	-	-	1,329,780
Interest on Retainage	-	-	22,381
Interest on Investments	397,550	209,074	-
TOTAL RECEIPTS	51,975,395	21,070,210	1,352,161
DISBURSEMENTS			
Architectural and Engineering Services	4,605,255	1,069,431	-
Construction Material Testing	583,610	147,130	-
Construction - GMP Contractor	56,390,602	24,581,853	2,106,631
Sub-total Contractor Disbursements	61,579,467	25,798,414	2,106,631
Transfer to Retainage Account	-	1,329,780	-
Accounting / Auditing Services	-	11,050	-
Insurance - Property / Liability	116,100	116,100	-
Legal Services	7,000	38,468	-
Owner's Representatives	245,000	133,577	-
Other Contractual Services	1,141,035	1,193,679	-
Telephone	2,000	676	-
Sub-total Service Disbursements	1,511,135	1,493,550	-
Facility Equipment Acquisition	-	371,704	-
Facility Furniture Acquisition	-	672,491	-
Sub-total Supply Disbursements	-	1,044,195	-
TOTAL DISBURSEMENTS	63,090,602	29,665,939	2,106,631
Excess / (Deficit) of Funds	\$ (11,115,207)	\$ (8,595,729)	\$ (754,470)
Net Assets - Beginning of Year	33,271,289		
Net Assets - End of Year	\$ 22,156,082		
	See Comments		
	1 and 2		
Comment 1: Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on March 26, 2003.			
Comment 2: Activity on this statement is represented by the following accounts:			
Authority construction cash and equivalents balances as of December 31, 2003			
Sweep		\$ 12,599,997	
Maxsaver		10,976,524	
Investments		5,980,712	
Sub-total related Authority Construction Cash and Equivalents		29,557,233	
Retainage		4,114,546	
Total Cash and Equivalents		\$ 33,671,779	

See accountants' report



December 22, 2003

Mr. Dale H. Sommers
Grand Rapids-Kent County Convention/Arena Authority
201 Monroe NW Suite 100
Grand Rapids, MI 49503

**RE: Grand Rapids Convention Center Expansion and Renovation
Job No. 900**

Dear Mr. Sommers:

We are pleased to provide the attached proposed Amendment No. 7 to the Standard Form of Agreement Between the Owner and Construction Manager where the Construction Manager is also the Constructor. This Amendment provides for a Guaranteed Maximum Price (GMP) for the balance of the Project.

This GMP amends the previous GMP executed in June of 2002 to include Phase 3 (Welsh Auditorium, Grand Center and Site Work). The GMP anticipates all work (with the exception of some site work which may be weather dependent) to be complete by January 31, 2005.

If you have any questions, please feel free to call.

ERHARDT HUNT, A JOINT VENTURE

A handwritten signature in black ink, appearing to read 'Matthew E. Barnes', written over a horizontal line.

MATTHEW E. BARNES
Construction Manager

cc: Bob Decker
Joe Erhardt

Erhardt/Hunt, A Joint Venture

Erhardt Construction Company
6060 East Fulton / P.O. Box 208
Ada, MI 49301
616.676.1222

Hunt Construction Group
2450 South Tibbs Avenue
Indianapolis, IN 46241
317.227.7800

Amendment No. 7 to Agreement Between Owner and Construction Manager

THIS AMENDMENT is made effective as of this 28th day of January 2004, between Grand Rapids-Kent County Convention/Arena Authority (CAA) (hereinafter called "Owner") and Erhardt/Hunt, A Joint Venture (hereinafter called "Contractor").

WHEREAS, the Owner and Contractor have entered into a Standard Form of Agreement Between Owner and Construction Manager where the Construction Manager is also the Constructor (the "Contract") for the expansion and renovation of the Convention Center consisting of approximately 1,000,000 square feet of total gross floor area; and,

WHEREAS, the Owner and Construction Manager agreed to share in the savings between the Cost of the Work and the Guaranteed Maximum Price (GMP) as defined in Paragraph 5.2.2 as modified in Amendment No. 1-A and again in Amendment No. 1, and

WHEREAS, the Owner and Construction Manager agreed to expedite the Substantial Completion of Phase 2 work as defined in Paragraph 2.2.4.5 as modified in Amendment No. 5, and

WHEREAS, the Owner agreed to compensate the Construction Manager for early completion of the Work in Phase 2 as defined in Paragraph 4.3.11 as modified in Amendment No. 5, and

WHEREAS, the Owner and Construction Manager agreed to modify the Guaranteed Maximum Price (GMP) to include all Work associated with Phase 3,

NOW THEREFORE, it is hereby agreed as follows:

All Work defined as Phase 2 was Substantially Complete on November 17, 2003.

The savings associated with the Cost of Work and Phase 1 and 2 GMP was more than \$2,000,000. Therefore, the Construction Manager shall be paid a lump sum fee of \$1,000,000 as their share of the savings.

The Construction Manager shall be paid a lump sum fee of \$175,000 for early completion of Phase 2 Work.

The Construction Manager's Fee for completion of Work as defined in the Phase 1 and 2 Guaranteed Maximum Price (GMP) outlined in Amendment No. 1 is \$4,323,117.

The Construction Manager's Fee for Work as defined in the Phase 3 Guaranteed Maximum Price (GMP) outlined in Amendment No. 7 shall be \$1,857,410.

The Construction Manager's Fee for Work to be defined as DeVos Interiors shall be \$88,785.

The Construction Manager's Guaranteed Maximum Price for the Work, including estimated Cost of the Work as defined in Article 6 and the Construction Manager's Fee as defined in Article 5, is One Hundred Seventy One Million Eight Hundred Ninety Nine Thousand Five Hundred and Thirty Five Dollars (\$171,899,535).

This Price is for the performance of the Work in accordance with the Contract Documents listed and attached to this Amendment and marked Exhibits A through G as follows:

- Exhibit A Drawings, Specifications, addenda, and General, Supplementary and other Conditions of the Contract on which the Guaranteed Maximum Price is based, pages 1 through 47 dated January 28, 2004.
- Exhibit B Allowance items, pages 1 through 2 dated January 28, 2004.
- Exhibit C Assumptions and clarifications made in preparing the Guaranteed Maximum Price, pages 1 through 4 dated January 28, 2004.
- Exhibit D Completion schedule, pages 1 through 5, dated January 28, 2004.
- Exhibit E Alternate prices, pages 1 through 1 dated January 28, 2004.
- Exhibit F Unit prices, pages 1 through 1 dated January 28, 2004.
- Exhibit G Potential Change Order (PCO) Log, pages 1 through 13 dated January 28, 2004.

The date of Substantial Completion established by this Amendment is:

Ballroom and Prefunction	January 31, 2005
Grand Center Renovation	January 31, 2005
Site Work including Lyon Street	Spring 2005
River Walk	January 31, 2005
DeVos Hall Interiors	January 31, 2005

Project Summary

Phase 1 and 2 **\$118,054,870**

Phase 3

Current Scope 45,740,472

Phase 3 Allowances

Welsh Entrance Restoration 250,000

Subtotal 45,990,472

Contractor's Contingency 2,000,000

Construction Manager's Fee 1,857,410

Subtotal 49,847,882

CCIP Deduct (533,646)

Subtotal 49,314,236

Owner's Contingency 2,074,114

Total Phase 3 **\$51,388,350**

DeVos Interiors Allowance

Construction Budget 2,152,300

Construction Contingency 215,230

Construction Manager's Fee 88,785

Total DeVos Interiors Allowance **\$ 2,456,315**

Revised Guaranteed Maximum Price **\$171,899,535**

OWNER

CONSTRUCTION MANAGER

(Signature)

Date

John H. Logie/ Chairman
Grand Rapids – Kent County
Convention/Arena Authority

(Signature)

Date

Robert G. Hunt
CEO Hunt Construction Group
Erhardt/Hunt, A Joint Venture



FISCAL SERVICES DEPARTMENT
MEMORANDUM

TO: Steve Heacock
Chair- Convention/Arena Authority Finance Committee

FROM: Robert White *RW*
Fiscal Services Director

SUBJECT: Finance Committee Agenda of January 15, 2004
Proposed "Parking Operation and Maintenance Agreement"

DATE: January 16, 2004

On this date, the Convention/Arena Authority – Finance Committee considered for adoption a proposed Parking Operation and Maintenance Agreement (Agreement) to be entered into between the City and the Convention/Arena Authority. This agreement is being entered into for the purpose of defining the terms and conditions for operation and maintenance of the new parking facility, by the City – Parking Facilities Department. Responsibility for the "Operation of Convention Center Parking Facilities" was agreed to by the parties under an "Operating Agreement", dated March 29, 2000 (Attachment A-Operating Agreement, Article VI. – Section 6.1).

The Agreement is intended to provide for certain understandings between the parties as follows:

- The parking facility will be first made available to the City – Parking Services Department, in part, (330 spaces) on or about January 23, 2004. Additional spaces will be made available, in increments, with a final total of 690 spaces placed in service by March 2005.
- Operation and maintenance of the Facility will be provided at a level which is equal to that provided by the City – Parking Services Department in its own downtown facilities.
- The hours of operation and staffing will be established and modified as necessary, based on the mutual agreement of the Convention/Arena Authority or its designee and the City - Parking Services Department.

- Initial parking rates, (Hourly, Daily, Event and Monthly parking pass) shall be the same as those charged at the Government Center Ramp:

Per half hour - \$.95
Daily Maximum - \$8.25
Event - \$6.25
Monthly - \$125.75
- The initial monthly parking rate established in this agreement for City and County use is set at \$40.00 per space per month during the initial period ending June 30, 2004. This rate is intended to cover all fixed and variable operating expenses of the Convention/Arena Authority. An annual cost reconciliation will be compiled to determine if there exists any excess or deficiency in the recovery of operating expenses with such variances to be applied to adjustment of subsequent annual rate determinations.
- The term of this agreement is intended to run from date of first availability through June 30, 2005 (approximately 17 months). By March 2005, it is expected that the entire parking facility will become available to the parties. Having accumulated at least one full year of parking experience, the parties will be in a better position to recommend further clarification concerning the understandings contained in this agreement and allow for further extension of same.

This agreement was prepared by legal counsel Richard Wendt, with the assistance of Dale Sommers - Project Manager, Rich MacKeigan – SMG Representative, Pam Ritsema – City – Parking Services Director, Eric DeLong - Deputy City Manager and Robert White - Kent County Fiscal Services Director. It is the general recommendation of this “committee” that the “Parking Operation and Maintenance Agreement” be adopted as presented.

Attachment: Parking Operation and Maintenance Agreement

ATTACHMENT A

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

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

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

**ARTICLE V
NET OPERATING INCOME**

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

**ARTICLE VI
CONVENTION CENTER PARKING FACILITIES**

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

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

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
PARKING OPERATION AND MAINTENANCE AGREEMENT
RELATED TO DEVOS PLACE**

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

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA")
is the owner of DeVos Place which includes 685 parking spaces located in its lower level; and

WHEREAS, at the time of formation of the CAA, the County of Kent (the "County")
and the City of Grand Rapids (the "City") as the forming entities entered into an Operating
Agreement dated as of March 29, 2000 (the "Operating Agreement"), related to DeVos Place
which provides that (a) all parking facilities located within DeVos Place are to be operated by the
City's Parking System under the direction of the CAA with net revenues after the deduction of
operating expenses belonging to the CAA and (b) the CAA shall make available to the County
and the City the parking spaces at DeVos Place at a cost equal to a pro rata share of operating
expenses; and

WHEREAS, the CAA and the City desire to enter into an agreement implementing the
provisions of the Operating Agreement related to the parking facilities in DeVos Place as set
forth above.

RESOLVED:

1. That the Parking Operation and Maintenance Agreement between the CAA and
the City (the "Agreement") related to the parking facilities at DeVos Place in the form presented
at this meeting is approved and the Chairman of the CAA is authorized and directed to execute
said Agreement for and on behalf of the CAA in the form presented or with such minor changes

PARKING OPERATION AND MAINTENANCE AGREEMENT

THIS PARKING OPERATION AND MAINTENANCE AGREEMENT (the "Agreement") is made this ____ day of _____, 2004, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority (the "CAA" or "Authority"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City").

PREMISES

A. The CAA owns DeVos Place, a performing arts/convention/entertainment facility located at 303 Monroe Avenue, N.W., in the City (the "Convention Center"), including 685 parking spaces located in the lower level of the Convention Center identified on Exhibit A attached hereto (the "Parking Spaces").

B. The Operating Agreement dated as of March 29, 2000 (the "Operating Agreement"), between the County of Kent (the "County") and the City related to the Convention Center provides that (a) "all parking facilities constituting a portion of the Convention Center shall be operated by the City's Parking System under the direction of the Authority with any net income in a fiscal year of the Authority, after deduction of operating expenses, belong to the Authority" and (b) "the Authority shall make available to the County and the City, for employees and other users the parking spaces in the Convention Center parking facilities at a cost equal to a pro rata share of operating expenses."

C. The CAA and the City desire to enter into this Agreement setting forth (a) the terms and conditions for the operation and maintenance of the Parking Spaces and (b) the basis for providing, including the determination of cost, the Parking Spaces to the County and the City.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

Section 1. Operation and Maintenance of Parking Spaces. Subject to the terms and conditions of this Agreement, the City, through its Parking Services Department (the "Department"), shall be responsible for the operation and maintenance of the Parking Spaces.

Section 2. Availability of Spaces for Use. Since construction of the Convention Center is still in the process of completion, the Parking Spaces will be available for public use on a phased-in basis. The first 330 spaces as identified on the attached Exhibit A will be available on or about January 23, 2004. An additional 75 spaces as identified on the attached Exhibit A will be available in June, 2004. In December, 2004, an additional 90 spaces, as identified on the attached Exhibit A, will be available and in March, 2005, the final 195 spaces, as identified on the attached Exhibit A will be available. The Department shall be responsible for the operation and

maintenance of the Parking Spaces upon being notified in writing by the CAA's Owner's Representative of their availability for public use.

Section 3. Parking Control Equipment. Prior to the Parking Spaces being available for public use, the CAA shall at its cost install at each entry/exit to the Parking Spaces working parking control equipment compatible with the City's Automobile Parking System (the "System") and, where required, attendant booths of the same or similar quality as booths located in City-owned parking ramps within the System. The City maintains its parking control equipment throughout the System pursuant to a maintenance agreement with an outside vendor. At the CAA's request and approval, the City would include, subject to the vendor's approval, the Convention Center Parking Spaces parking control equipment in such existing maintenance agreement and future maintenance agreements and pass such additional costs on to the CAA which the CAA agrees to pay.

Section 4. Conditions of Operation and Maintenance. The operation and maintenance of the Parking Spaces by the Department as they are made available by the CAA for public use shall be subject to the following conditions:

- (a) Unless otherwise agreed by the CAA and the City, the Department shall be responsible for providing:
 - 1. Attendant staffing as and to the level mutually determined necessary by the CAA and the Department.
 - 2. Security/customer service "red car" patrol at the same level provided to parking lots and ramps in the System during those times that the Parking Spaces are available for public monthly pass, daily in/out or special event use. It is understood that the CAA will at its own cost install, maintain and monitor security cameras throughout the area of the Parking Spaces as a part of the Convention Center's overall security system.
 - 3. Supervision of Department personnel performing services related to the Parking Spaces and administrative services including management and accounting services.
 - 4. Routine maintenance, including annual striping, semi-annual wash down, bi-annual changing of light bulbs and cleaning and sweeping as needed on a regular basis, but excludes resurfacing, structural repairs, repair of damage caused by users, replacement of parking control equipment and repair and replacement of attendant booths.
- (b) The level of operation and maintenance provided shall, except as otherwise provided in this Agreement, be equal to that provided by the Department to City-owned ramps operated and maintained by the Department.

Section 5. Utilities. The CAA shall be responsible for furnishing and paying for utilities related to the space occupied by the Parking Spaces, including electricity for lighting and parking control equipment and electric and telephone lines for any attendant booths.

Section 6. Hours of Operation. Since at the time of entering into this Agreement, the Convention Center has just reopened and the CAA has no historical experience to rely on and since the availability of the Parking Spaces for public use will be phased in over 15 months, the CAA and the Department agree to mutually establish the hours of operation during event and non-event days and the level of staffing required in connection therewith. It is understood that initially some experimentation will be required before firm operation hours and staffing are established.

Section 7. City and County Use of Parking Spaces. Pursuant to the terms of the Operating Agreement, the CAA is required to make the Parking Spaces available to the County and the City for employees and other users on a prepaid monthly pass basis. When such spaces are requested by the County or the City, the Department shall work with the CAA to facilitate making the requested spaces available. Unless otherwise mutually agreed by the City and CAA, the City agrees that it will maintain from time to time at the Government Center Parking Ramp located across Monroe Avenue from the Convention Center (the "Government Center Ramp") as daily/special event spaces (without in and out privileges) parking spaces of an equal number to the number of spaces that have moved from the Government Center Ramp to the Parking Spaces at the request of the City.

Section 8. Establishment of Parking Rates. Rates charged for use of the Parking Spaces, except those provided to the County and City pursuant to Section 7 hereof, shall be (a) as determined from time to time by the City Parking Commission and the City Commission in conjunction with the Department's annual facilities study update after receiving input from the Convention Center General Manager, and (b) as finally approved by the CAA or its designee, provided, however, such (i) prepaid daily maximum rate shall not be less than 80% of the similar rate charged at the Government Center Ramp and (ii) the prepaid monthly pass rate and special event rates shall not be less than those similar rates charged at the Government Center Ramp unless the CAA and the City otherwise mutually agree. Notwithstanding the above in this Section 8, rates for use of the Parking Spaces, except those provided to the City and County, from the date of this Agreement through June 30, 2004, shall be the same as those charged at the Government Center Ramp, unless the CAA and the City otherwise mutually agree.

Section 9. Establishment of Parking Rates for County and City Use. In accordance with the provisions of the Operating Agreement, parking spaces made available to the County and City pursuant to Section 7 hereof are to be provided at a cost equal to the pro rata share of the operating expenses of the Parking Spaces used by the County and City. The Department shall determine such cost annually in conjunction with its annual facilities update. Costs to be incorporated in the rate

established for the County and the City shall include the Department's operating costs, including a reasonable management fee related to the Parking Spaces (the "Department Operating Costs") and a pro rata share of operation and maintenance incurred by the CAA in connection with the Parking Spaces such as a pro rata share of utility costs, elevator maintenance, insurance premiums and building security and those maintenance costs related to the Parking Spaces separately billed by the Department to the CAA. (collectively, with the Department Operating Costs, the "Parking Spaces Operating Costs"). For the period commencing with the date of this Agreement and ending June 30, 2004, the prepaid monthly pass charge (the "CC Rate") shall be \$40.00. For each fiscal year thereafter, the CC Rate shall be determined based on estimated costs for such fiscal year plus an upward or downward adjustment to reflect the recovery of actual costs versus estimated costs for the prior fiscal year (the "Adjustment"). The CC Rate for the County and City shall be determined each fiscal year by dividing the total number of monthly passes for the Parking Spaces issued by the Department at the time of such determination (but such number shall never be less than the number of Parking Spaces available for public use at time of the determination) into the Parking Spaces Operating Costs plus or minus the Adjustment for such fiscal year. The Department shall make available to the CAA or its designee the calculation of such Rate for review and approval prior to the implementation of such CC Rate. It is understood that for the purpose of determining the CC Rate, Parking Spaces Operating Costs will not be allocated to daily in/out parkers and event parkers.

Section 10. Preparation and Approval of Annual Budget. Commencing with the fiscal year beginning July 1, 2004, the Department shall prepare and submit to the CAA (or its designee) for approval (at least 60 days prior to the beginning of such fiscal year) an operating cost budget for the Parking Spaces for the ensuing fiscal year.

Section 11. Review of Procedures for Establishing Parking Rates and Other Matters. Prior to the establishment of parking rates for the fiscal year commencing July 1, 2005, the CAA and the City through the Department agree to meet to review the procedures used to establish rates pursuant to Sections 8 and 9 hereof and, if based on such review, it is mutually agreed to revise such procedures, to amend this Agreement to reflect such revisions. In addition, the CAA and the Department agree to communicate regularly as necessary concerning the levels of operation and maintenance service provided for the Parking Spaces and to meet and review such levels of service on an annual basis.

Section 12. Collection and Distribution of Revenues. The Department shall collect all revenues received for the Parking Spaces based on rates established pursuant to Sections 8 and 9 hereof (the "Revenues"). The Department shall regularly transfer such Revenues less Department Operating Costs to the CAA at times, not less often than monthly, and in accordance with procedures mutually determined by the City and the CAA.

Section 13. Term. The Agreement shall be for a term commencing on the date set forth in the first paragraph hereof and ending June 30, 2005.

Section 14. Indemnification. The City shall indemnify the CAA and its officers, boardmembers, employees and agents (the "CAA Indemnified Parties" or "CAA Indemnified Party") against, and save the CAA Indemnified Parties harmless from, any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys fees, paid or incurred by the CAA Indemnified Parties and arising from the City's or the City's invitees use of the Parking Spaces except such as arise from the willful acts or negligence of the CAA Indemnified Parties. If any action or proceeding is brought against a CAA Indemnified Party, by reason of any such claim, the City will, upon written notice from the CAA Indemnified Party, at the City's expense, resist or defend such action or proceeding by counsel approved by the CAA Indemnified Party in writing. In providing the indemnification set forth above, the City is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the City for the CAA Indemnified Parties. The City shall not be responsible for the indemnification obligations set forth above with respect to any CAA Indemnified Party to the extent that a CAA Indemnified Party has waived a defense which was otherwise available to it by law.

The CAA shall indemnify the City and its officers, commissioners, employees and agents (the "City Indemnified Parties" or "City Indemnified Party") against and save the City Indemnified Parties harmless from any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys fees, paid or incurred by the City Indemnified Parties and arising from the CAA's and the CAA's invitees use and occupancy of the Parking Spaces except such as arise from the willful acts or negligence of the City Indemnified Parties. If any action or proceeding is brought against a City Indemnified Party by reason of any such claim, the CAA will upon written notice from the City Indemnified Party, at the CAA's expense, resist or defend such action or proceeding by counsel approved by the City Indemnified Party in writing. In providing the indemnification set forth above, the CAA is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the DDA for the City Indemnified Parties. The CAA shall not be responsible for the indemnification obligations set forth above with respect to any City Indemnified Party to the extent that a City Indemnified Party has waived a defense which was otherwise available to it by law.

Section 15. Notices. All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by certified or registered mail (return receipt requested, postage prepaid) or by facsimile to the appropriate party at its address or facsimile set forth below:

If to the CAA:

Grand Rapids-Kent County Convention/Arena
Authority
130 W. Fulton Street
Grand Rapids, Michigan 49503
Attention: Administrative Manager
Facsimile Number: (616) 742-6197

If to the City:

City of Grand Rapids
6th Floor, City Hall
300 Monroe Avenue, N.W.
Grand Rapids, Michigan 49503
Attention: City Manager
Facsimile Number: (616) 456-3166

Either party may change its designated address/facsimile number by delivery of written notice of the change to the other party. Notices shall be deemed effective upon actual receipt. Actual receipt of facsimile transmissions shall be presumed based upon the transmitting party's receipt of a confirmation of transmission.

Section 16. General Provisions.

(a) This Agreement constitutes the entire agreement between the CAA and the City related to the subject matter hereof, i.e., the operation and maintenance of the Parking Spaces, and may be modified or amended in whole or in part from time to time only by mutual written agreement of the CAA and the City.

(b) This Agreement shall be interpreted in accordance with the laws of the State of Michigan.

(c) Nothing in this Agreement is intended by the parties hereto to create, nor shall anything in it be construed as creating, any obligations to, or rights in, any party not a signatory to this Agreement that would not exist independent of this Agreement.

(d) If any particular portion of this Agreement is rendered invalid, illegal, unenforceable or otherwise of no effect, the remaining provisions of this Agreement shall remain in full force and effect so that the essence and intent of this Agreement is preserved.

(e) A failure of either party to give notice or insist upon the immediate performance of any right that it has under this Agreement shall not constitute a waiver of that right or any other right under this Agreement.

(f) The section headings of this Agreement are for convenience only and shall not be considered a part of the substance of this Agreement or affect the interpretations of this Agreement.

(g) This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.

(h) The City shall act solely as an independent contractor with respect to the operation and maintenance of the Parking Spaces. The relationship of the City and the CAA under this Agreement shall in no way be construed to create a joint venture or partnership, or to constitute either party as an agent or employee of the other for any purpose.

IN WITNESS WHEREOF, the parties have signed this Agreement on the day first written above.

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

John H. Logie, Chairman

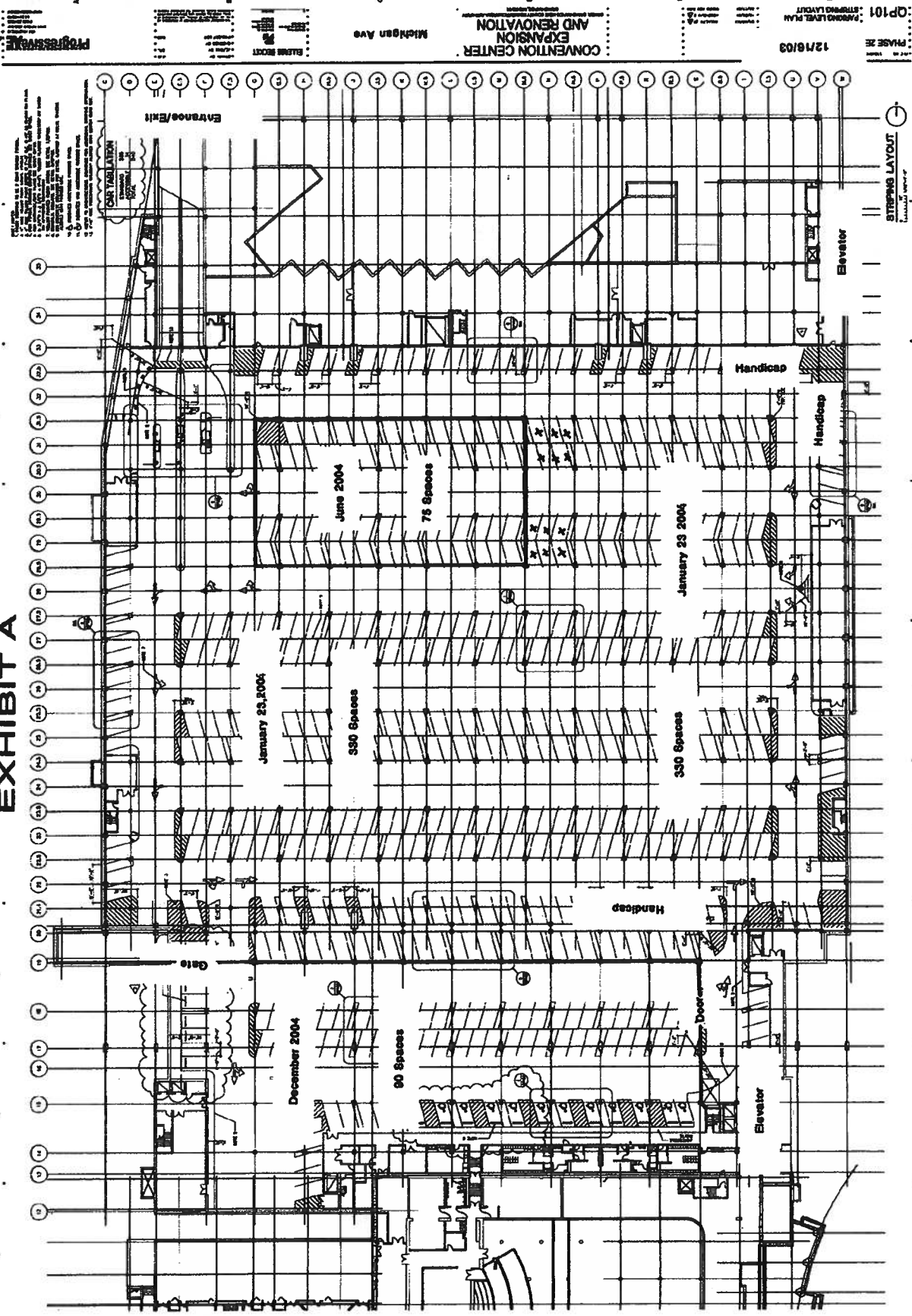
CITY OF GRAND RAPIDS

George K. Heartwell, Mayor

Attest:

Mary Therese Hegarty, City Clerk

EXHIBIT A



Item VII

DE VOS PLACE WEEKLY – YEAR 2004

DATE	EVENT	ROOM	TIME	FUNCTION
TUES. JAN 6	GRSO - CLASSICAL V	DV	10A-1P 3:30P-6P 7:30P-10P	LOAD IN REHEARSAL REHEARSAL
WED. JAN 7	GRSO - CLASSICAL V	DV	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL
	POLICE MEETING	GA	8:00A-5:00P	MEETING
THURS. JAN 8	GRSO - CLASSICAL V	DV	7:30-10P	REHEARSAL
	MI ASSOC. OF FAIRS & EXHIBITIONS	EHC/	8A-2P 2P 6P-10P	MOVE IN/SET UP SOUND CHECK SHOWCASE
FRI. JAN 9	GRAND RAPIDS BRIDAL SHOW	A/	8A-4P 6P 7P-9P	SHOW DOORS SHOW
	GRSO - CLASSICAL V	DV	7P 7:30P 8P-10:15P	LOBBY OPEN SEATING OPEN PERFORMANCE
	MI ASSOC. OF FAIRS & EXHIBITIONS	EHC/	12P 1:30P-4P 4:30P-8:30P	MOVE -IN CONVENTION RECEPTION
	CITY MANAGER	OA	8:30 A – 10:30A	SHOW
SAT. JAN 10	GRAND RAPIDS BRIDAL SHOW	A/	1P 2P-4P 4P-6P	DOORS SHOW MOVE OUT
	PROGRESSIVE AE CHRISTMAS PARTY	GA-D/	4P-6P 6:30P-11P 11P-12A	MOVE IN BANQUET MOVE OUT
	GRSO - CLASSICAL V	DV DV / DOCK3	1P-3P 7P 7:30P 8P-10:15P 10:15P-1A	REHEARSAL LOBBY OPEN SEATING OPEN PERFORMANCE MOVE OUT
	MI ASSOC. OF FAIRS & EXHIBITIONS	EHC/	6P 7P 8:15-9:30P 9:30-11P	CASH BAR BANQUET PERFORMANCE MOVE OUT
SUN. JAN 11				
MON. JAN 12	42 ND STREET	DV/ DV / DOCK3 DV / DOCK3	1P-4P 5P-7P 8P-12P	HOUSE STRIP SPOTTING CALL MOVE IN
	GRAND VALLEY METRO COUNCIL	GA-B	6A-10A 11A-2P 2P-4P	AGPH SET-UP LUNCHEON AGPH TEAR DOWN
TUES. JAN 13	GENERAL RV	EHC/	8A-5P	MOVE IN
	42 ND STREET	DV / DOCK3	8A-5P 6:30P 7P 7:30P-10:15P	MOVE IN CONT. LOBBY OPEN SEATING OPEN PERFORMANCE
WED. JAN 14	GENERAL RV	EHC/	8A-5P	SET UP
	42 ND STREET	DV/	6:30P 7P 7:30P-10:15P	LOBBY OPEN SEATING OPEN PERFORMANCE
	AUTORAMA	EH A-B/	6PM-11PM	MARK FLOORS
THURS JAN 15	GENERAL RV	EHC/	9A 12P-9P	CLIENT SET UP SHOW
	AUTORAMA	EH A-B GG	11AM-9PM 11AM-8PM 9AM-9PM	MOVE IN 1 CONCESSION STAND OPEN REGISTRATION

DE VOS PLACE WEEKLY – YEAR 2004

	42 ND STREET	DV/	1P 1:30P 2P-4:45P 6:30P 7P 7:30P-10:15P	LOBBY OPEN SEATING OPEN PERFORMANCE LOBBY OPEN SEATING OPEN PERFORMANCE
FRI. JAN 16	GENERAL RV	EHC/	9A 12P-9P	CLIENT SET UP SHOW
	CALVIN AROUND TOWN	GGMR/	12:00NOON 5:30P-8P 8P-9P	MOVE IN RECEPTION MOVE OUT
	AUTORAMA	EH A-B/	1PM-5PM 1P-5P 5PM-10PM 10PM-APPROX. 2AM	VENDORS SET-UP LIMITED CONESSIONS OPEN SHOW (FULL CONCESSIONS) JUDGING
	42 ND STREET	DV/	7P 7:30P 8P-10:45P	LOBBY OPEN SEATING OPEN PERFORMANCE
SAT. JAN 17	GENERAL RV	EHC/	9A 11A-9P	CLIENT SET UP SHOW
	AUTORAMA	EH A-B G A,B EH A,B/	10AM 11AM-10PM 5P-7P 10PM-APPROX. 2AM	EXHIBITORS ALLOWED IN SHOW AWARDS JUDGING
	42 ND STREET	DV/	1P 1:30P 2P-4:45P 7P 7:30P 8P-10:45P	LOBBY OPEN SEATING OPEN PERFORMANCE LOBBY OPEN SEATING OPEN PERFORMANCE
SUN. JAN 18	GENERAL RV	EHC/	9A 11A-6P 6P-12A	CLIENT SET UP SHOW MOVE OUT
	AUTORAMA	GH A-B/	10AM 11AM-7PM 7PM-2AM	EXHIBITORS ALLOWED IN SHOW MOVE OUT
	42 ND STREET	DV/ DV / DOCK3	2P 2:30P 3P-5:45P 6P-11P	LOBBY OPEN SEATING OPEN PERFORMANCE MOVE OUT
MON. JAN 19	MI RECREATION & PARK ASSOC.	EHA/	12P-3P 3P-4P 4P-7:30P	MOVE IN RECEPTION EXHIBITS
TUES. JAN 20	MI RECREATION & PARK ASSOC.	EHA/	9A-2P 2P-6P	SHOW MOVE OUT
	DORA THE EXPLORER	DV / DOCK3 DV/	8A-5P 6P 7P-8:30P	MOVE IN SEATING OPEN PERFORMANCE
WED. JAN 21	MI READING RECOVERY INSTITUTE	EHC/	8A-4P 5P-9P	EXHIBIT MOVE-IN EXHIBITS
	DORA THE EXPLORER	DV/ DV / DOCK3	9:30A 10:30A-12P 6P 7P-8:30P 8:30P-12:30P	SEATING OPEN PERFORMANCE SEATING OPEN PERFORMANCE MOVE OUT

DE VOS PLACE WEEKLY – YEAR 2004

THURS. JAN 22	MI READING RECOVERY INSTITUTE	EHC/ GA-F/OA-H/ GRAND GALLERY GA-F/OA-H/ DV/	7A-6P 10:30A-12NOON 12:00P-1P 1:30P-5P 7P	EXHIBITS MEETINGS LUNCH MEETINGS SYMPHONY CONCERT
	GRSO – POPS IV	DV / DOCK3 DV/	8A-1P 7P-10P	MOVE IN REHEARSAL
FRI. JAN 23	MI READING RECOVERY INSTITUTE	EHC/ GA-F/OA-H/ GRAND GALLERY GA-F/OA-H/ EHC/	7A-1:30P 10:30A-12P 12P-1P 1:15P-2:45P 1:30P-6P	EXHIBITS MEETINGS LUNCH MEETINGS MOVE OUT
	GRSO – POPS IV	DV/	7P 7:30P 8P-10:15P	LOBBY OPEN SEATING OPEN PERFORMANCE
SAT. JAN 24	GRSO – POPS IV	DV/	7P 7:30P 8P-10:15P	LOBBY OPEN SEATING OPEN PERFORMANCE
SUN. JAN 25	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	8A-3P	MOVE IN
	GRSO – POPS IV	DV/	2P 2:30P 3P-5:15P 5:15P-6:15P	LOBBY OPEN SEATING OPEN PERFORMANCE MOVE OUT
MON. JAN 26	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	7A-7P	MOVE IN
TUES. JAN 27	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	8A-7P	MOVE IN
	GRSO - CLASSICAL VI	DV/	8A-12P 7:30P-10P	MOVE IN REHEARSAL
WED. JAN 28	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	7A-NOON	MOVE IN
	GRSO – CLASSICAL VI	DV/	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL
THURS. JAN 29	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	3P-10P	SHOW
	GRSO – CLASSICAL VI	DV/	7:30P-10P	REHEARSAL
FRI. JAN 30	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	11A-10P	SHOW
	GRSO – CLASSICAL VI	DV/	7P 7:30P 8P-10:15P	LOBBY OPEN SEATING OPEN PERFORMANCE
SAT. JAN 31	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	10A-10P	SHOW
	GRSO – CLASSICAL VI	DV/ DV	7P 7:30P 8P-10:15P 10:15P-11:15P	LOBBY OPEN SEATING OPEN PERFORMANCE MOVE OUT
	GRSO – FAMILY II	DV/	10A-12P 1P-3:30P 3:30P-5:30P	IA CHANGEVER REHEARSAL IA CHANGEVER
SUN. FEB. 1	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	11A-6P 6P-10P	SHOW MOVE OUT
	GRSO – FAMILY II	DV/	10A-1P 1:15P-2:15P 2P 2:15P-2:45P 2:30P 3P-4P 4P-6P	IA CHANGEVER REHEARSAL LOBBY OPEN PETTING ZOO SEATING OPEN PERFORMANCE MOVE OUT
MON. FEB 2	2004 MI INTERNATIONAL AUTOSHOW	EHA-C/	8A-5P	MOVE OUT

VAN ANDEL ARENA® WEEKLY

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Wed, Jan 21	Griffins vs Rochester	AH	Arena	10:00A-12:30P 6:00 PM 7P-9:30P	Teams practice Doors Hockey game
Thur, Jan 22	Available				
Fri, Jan 23	Griffins vs San Antonio	MS	Arena	10:00A-12:30P 6:30 PM 7:30P-10P 10P-10:30P	Teams practice Doors Hockey game Post-game skate
Sat, Jan 24	Griffins vs Cleveland	AH	Arena	10:00A-12:30P 2:30 PM 3P-4P 6:30 PM 7:30P-10P	Teams practice Doors South Christian v Wayland hockey ga Doors Hockey game
	Shoreline	MW	Banquet B	3:00 PM 6:30 PM	Set-up Holiday party
Sun, Jan 25	Harlem Globetrotters	MS	Arena	2:00 PM 2:30 PM 3:00 PM 4P-6:30P 7P-8P 8P-9P	Photo session Globetrotter University Doors Basketball game Cedar Springs/Rockford shoot-a-round Northview/Grandville shoot-a-round
Mon, Jan 26	Pepsi Jam at the Van	MS	Arena	5:00 PM 6:15 PM 7:40 PM approx. 8:00 PM approx. 9: 45 PM approx.	Doors Northview vs Cedar Springs basketba Intermission Grandville vs Rockford basketball ga Event ends
Tue, Jan 27	Disney on Ice	AH	Arena	12:00 PM	Pre-rig
Wed, Jan 28	Disney on Ice	AH	Arena	8:00 AM 10:00 AM 2:00 PM 3:30 PM 6:30 PM 7:30P-8:25P 8:25P-8:45P 8:45P-9:30P	Load-in Sells-Floto load-in Chair set Pyro test Doors Performance #1 Intermission Performance
	Disney on Ice	MW	Banquet A	3:00 PM 5:45P-7P	Set-up Meet-N-Greet
Thur, Jan 29	Disney on Ice	MS	Arena	5:15 PM 6:30 PM 7:30P-8:25P 8:25P-8:45P 8:45P-9:30P	Early VIP skate Doors Performance #2 Intermission Performance
	Disney on Ice	MW	Banquet A	3:00 PM 5P-6P	Set-up Meet-N-Greet

Fri, Jan 30	Disney on Ice	AH	Arena	6:30 PM 7:30P-8:25P 8:25P-8:45P 8:45P-9:30P	Doors Performance #3 Intermission Performance
Sat, Jan 31	Disney on Ice	MS	Arena	10:30 AM 11:30A-12:25P 12:25P-12:45P 12:45P-1:30P 1:30P-2:30P 2:30P 3:30P-4:25P 4:25P-4:45P 4:45P-5:30P	Doors Performance #4 Intermission Performance Quick clean Doors Performance #5 Intermission Performance

Sat, Jan 31 Cont...	Disney on Ice	MS	Arena	5:30P-6:30P 6:30P 7:30P-8:25P 8:25P-8:45P 8:45P-9:30P	Quick clean Doors Performance #6 Intermission Performance
Sun, Feb 1	Disney on Ice	AH	Arena	1:00 PM 2P-2:55P 2:55P-3:15P 3:15P-4P	Doors Performance #7 Intermission Performance
Mon, Feb 2	Available				
Tue, Feb 3	Available				
Wed, Feb 4	Griffins vs Cincinnati	MS	Arena	10:00A-12:30P 6:00 PM 7P-9:30P	Teams practice Doors Hockey game
Thur, Feb 5	Available				
Fri, Feb 6	Griffins vs Chicago	MS	Arena	10:00A-12:30P 6:30 PM 7:30P-10P	Teams practice Doors Hockey game
Sat, Feb 7	Available				
Sun, Feb 8	Griffins	AH	Arena	6:00 PM 7:00 PM	Doors All Star Skills Competition
	Griffins	MW	Banquet C	3:00 PM 6P-9:30P	Set-up Green Room for All Stars
Mon, Feb 9	Griffins	AH	Arena	6:00 PM 7:00 PM	Doors All Star hockey game
	Griffins	MW	Banquet C	5:00 AM 5P-9:30P	Set-up Green Room for All Stars
Tue, Feb 10	Barenaked Ladies	MS	Arena	8A-5P	Load-in/Rehearsal
Wed, Feb 11	Barenaked Ladies	MS	Arena	7:30 PM	Performance
Thur, Feb 12	Available				
Fri, Feb 13	Griffins vs Manitoba	AH	Arena	10:00A-12:30P 6:30 PM 7:30P-10P	Teams practice Doors Hockey game
Sat, Feb 14	Rampage vs Colorado	MS	Arena	11:00 AM 12P-3P	Doors Rampage home opener football game
	Griffins vs Houston	AH	Arena	6:30 PM 7:30P-10P 10P-10:30P	Doors Hockey game Post-game skate
Sun, Feb 15	Available				
Mon, Feb 16	Available				
Tue, Feb 17	Available				
Wed, Feb 18	Available				
Thur, Feb 19	Available				
Fri, Feb 20	Griffins vs Hamilton	MS	Arena	10:00A-12:30P 6:30 PM 7:30P-10P	Teams practice Doors Hockey game
Sat, Feb 21	Griffins vs Milwaukee	AH	Arena	10:00A-12:30P 6:30 PM 7:30P-10P	Teams practice Doors Hockey game
Sun, Feb 22	Rampage vs Las Vegas	MS	Arena	2:00 PM 3P-6P	Doors Football game



For Immediate Release
Wednesday, January 21, 2004

Contact: Lynne Ike (616) 742-6198
Leslie Merriman (616) 742-6191

VAN ANDEL ARENA® RANKS IN POLLSTAR & BILLBOARD FOR 2003 FIGURES

Grand Rapids, MI - Excellent ticket sales and gross figures in 2003 has landed Van Andel Arena positions in venue rankings published in Pollstar and Billboard Magazines, two of the major trade magazines in the entertainment industry.

Van Andel Arena came in thirty-first in the world on Pollstar's Top 50 Arena Venues of all sizes. This ranking is based on tickets sold worldwide as reported to Pollstar for shows played between January 1, 2003 and December 31, 2003. Van Andel Arena placed behind several larger and well-known venues, including Madison Square Garden Arena in New York, NY, The FleetCenter in Boston, MA and the United Center in Chicago, IL (see attached for complete listing).

Based on box office figures compiled throughout 2003, Billboard Magazine has ranked Van Andel Arena as the second highest grossing arena with 10,001-15,000 seating capacity. The ranking is based on events reported to Billboard from November 26, 2002 through November 18, 2003.

For three years running (1998-2000), Van Andel Arena had prevailed as the #1 midsize arena in Billboard Magazine. In 2001, Van Andel landed in second place right behind the San Diego Sports Arena in California and in 2002, Van Andel Arena ranked number one, beating out San Diego as well as other well-known facilities. This year, the Arena placed second behind Atlantic City Boardwalk Hall in Atlantic City, NJ, but is ranked above several notable venues (see attached for complete listing).

Says John Logie, Chairman of the Grand Rapids-Kent County Convention/Arena Authority, which owns Van Andel Arena, "The successes of our community rarely surprise me, but they always make me proud. The quality entertainment that continues to come to Van Andel Arena makes this a premier entertainment destination, and a great place to live."

Richard MacKeigan, SMG's General Manager for Van Andel Arena and DeVos Place, commented, "This year's success, as in years past, can be attributed to the exceptional SMG staff we have in place in Grand Rapids, working with exceptional promoters, who bring great events to a supportive and appreciative community. We look forward to another successful year in 2004."



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



For over twenty years, Pollstar has provided music business professionals with the most reliable and accurate source of worldwide concert tour schedules, ticket sales results, music industry contact directories, trade news and unique specialized data services. In addition to publishing the concert industry's leading weekly trade publication, Pollstar also maintains the world's largest database of international concert tour information.

Billboard Magazine is the International Live Entertainment & Amusement Industry Newsweekly. The entertainment industry, from promoters to artists to venues, follow Billboard throughout the year to check how events sell in other markets, who has done particular shows recently, or how a particular venue sells when planning a tour.

Van Andel Arena is managed by SMG, the leading management company for public assembly facilities worldwide. In addition to Van Andel Arena's number two position for buildings in its class in Billboard, SMG-managed buildings clinched the top four positions: The Atlantic City Boardwalk Hall in Atlantic City, NJ at number one, Verizon Wireless Arena in Manchester, NH at number three and the Centrum Centre in Worcester, MA in fourth.

In Pollstar's ranking, in addition to Van Andel Arena's position at number thirty-one, several SMG-managed buildings placed in the Top 50. Manchester Evening News Arena in Manchester, ENG came in at number one, Nassau Veterans Memorial Coliseum in Uniondale, NY at number thirteen, Pepsi Arena in Albany, NY at number sixteen, Ford Center Arena in Oklahoma City, OK at number eighteen, Mellon Arena in Pittsburgh, PA at number thirty-two, Worcester's Centrum Centre in Worcester, MA at number thirty-nine, Office Depot Center in Sunrise, FL at number forty, CSU Convocation Center in Cleveland, OH at number forty-three, Verizon Wireless Arena in Manchester, NH at number forty-four and Alltel Arena in North Little Rock, AR at number fifty.

Van Andel Arena had a big year in 2003 with 72 shows, six of which were sellouts. Attendance and gross for 2003 were 360,178 and \$13,625,274 respectively. See attached for a complete list of Van Andel Arena's 2003 events.

The Philadelphia-based SMG is the leading private facility management company. With 158 venues, SMG controls over 1.3 million entertainment seats worldwide, and over nine million square feet of exhibit space. SMG has managed the Van Andel Arena since 1996 and DeVos Place since 1994. For additional company information, visit smgworld.com.

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Top 50 Venues

Pollstar 2003

Year end results as published Jan. 12, 2004

	Venue	Total Tickets
1	Manchester Evening News Arena, Manchester, ENG	823,238
2	Bell Centre, Montreal, QUE	650,723
3	Madison Square Garden Arena, New York, NY	545,785
4	Palace of Auburn Hills, Auburn Hills, MI	443,194
5	Xcel Energy Center, St. Paul, MN	349,280
6	Savvis Center, St. Louis, MO	341,003
7	Air Canada Center, Toronto, ONT	333,610
8	MCI Center, Washington, D.C.	330,629
9	St. Pete Times Forum, Tampa, FL	328,700
10	Wachovia Center, Philadelphia, PA	321,530
11	FleetCenter, Boston, MA	278,129
12	United Center, Chicago, IL	276,161
13	Nassau Veterans Memorial Coliseum, Uniondale, NY	261,684
14	Continental Airlines Arena, East Rutherford, NJ	251,601
15	KeyArena at Seattle Center, Seattle, WA	249,488
16	Pepsi Arena, Albany, NY	241,809
17	Sovereign Bank Arena, Trenton, NJ	234,812
18	Ford Center Arena, Oklahoma City, OK	227,065
19	Allstate Arena, Rosemont, IL	225,957
20	National Indoor Arena, Birmingham, ENG	224,478
21	Oakland Arena, Oakland, CA	220,562
22	Colonial Center, Columbia, SC	216,679
23	Ahoy Rotterdam, Rotterdam, NET	216,272
24	Pepsi Center, Denver, CO	216,116
25	ARCO Arena, Sacramento, CA	214,993
26	Staples Center, Los Angeles, CA	214,348
27	Rose Garden Arena, Portland, OR	214,053
28	American Airlines Center, Dallas, TX	211,460
29	Arrowhead Pond of Anaheim, Anaheim, CA	206,578
30	Philips Arena, Atlanta, GA	205,646
31	Van Andel Arena®, Grand Rapids, MI	190,984
32	Mellon Arena, Pittsburgh, PA	190,699
33	HP Pavilion, At San Jose, San Jose, CA	187,187
34	Gaylord Entertainment Center, Nashville, TN	185,562
35	Mandalay Bay Resort, Las Vegas, NV	185,452
36	Target Center, Minneapolis, MN	183,199
37	MGM Grand Garden Arena, Las Vegas, NV	177,852
38	John Labatt Centre, London, ONT	171,917
39	Worcester's Centrum Centre, Worcester, MA	171,579
40	Office Depot Center, Sunrise, FL	166,853
41	Gund Arena, Cleveland, OH	166,591
42	Wachovia Spectrum, Philadelphia, PA	163,618
43	CSU Convocation Center, Cleveland, OH	156,768
44	Verizon Wireless Arena, Manchester, NH	152,371
45	Mark Of The Quad Cities, Moline, IL	149,968
46	SBC Center, San Antonio, TX	149,806
47	Bi-Lo Center, Greenville, SC	145,943
48	HSBC Arena, Buffalo, NY	145,932
49	Conseco Fieldhouse, Indianapolis, IN	143,633
50	Alltel Arena, North Little Rock, AR	142,507

Top 10 Venues

Billboard 2003

Year end results as published Dec. 27, 2003

	Venue	2002	Venue Capacity	Total Gross	Total Attendance	Total Capacity	No. of shows	No. of sellouts
1	Atlantic City Boardwalk Hall, Atlantic City, NJ	#10	13,800	\$17,183,115	209,466	257,940	28	10
2	Van Andel Arena®, Grand Rapids, MI	#1	12,864	\$13,625,274	360,178	574,738	72	6
3	Verizon Wireless Arena, Manchester, NH	na	11,000	\$11,208,098	342,664	455,102	64	10
4	Worcester's Centrum Centre, Worcester, MA	#3	15,000	\$10,643,131	311,880	616,223	68	8
5	San Diego Sports Arena, San Diego, CA	#2	15,000	\$8,965,306	305,844	503,976	57	2
6	Wembley Arena, London, England	na	12,000	\$8,291,154	97,451	99,648	10	3
7	Bi-Lo Center, Greenville, SC	#4	15,000	\$8,076,669	295,250	349,919	42	7
8	Sovereign Bank Arena, Trenton, NJ	na	10,500	\$7,647,679	350,533	644,068	104	6
9	Giant Center, Hershey, PA	na	12,500	\$7,466,102	290,557	486,332	70	5
10	Spokane Arena, Spokane, Wash	na	12,500	\$7,182,337	257,672	416,179	50	3

Van Andel Arena® Events
November 26, 2002 - December 31, 2003

11/26/02	Select Bank Classic Basketball Tournament
11/27/02	Trans-Siberian Orchestra
11/30/02	Select Bank Classic Basketball Tournament
12/4/02	A Royal Christmas (Julie Andrews, Christopher Plummer, Charlotte Church and More)
12/15/02	Aerosmith with Andrew W.K.
1/3-5/03	Arena Cross
1/12/03	Harlem Globetrotters
1/16/03	Champions On Ice
1/22-26/03	Disney on Ice
1/31-2/02/03	U.S. Hot Rod Association Thunder Nationals
2/6/03	Grenadier Guards & Scots Highlanders
2/15/03	Lipizzaner Stallions
3/7-8/03	IFMA Freestyle Motocross
3/13/03	Kenny Chesney
3/14-15/03	World's Toughest Rodeo
3/19/03	Sterling & Reid Brothers Circus
3/21/03	Scorpions & Whitesnake
3/22/03	Smucker's Stars on Ice
3/25/03	Archbishop Desmond Tutu
3/27/03	Yanni
4/1/03	Def Leppard
4/4-6/03	Barney's Colorful World
5/3/03	Brooks & Dunn Neon Circus
5/10/03	Red Hot Chili Peppers with Queens of the Stone Age
5/16/03	Big Daddy's Doo Wop Sh'Bop
5/23/03	Tim McGraw & The Dancehall Doctors
5/24/03	Matchbox Twenty with special guest Sugar Ray & Maroon 5
6/11/03	Journey, REO Speedwagon & Styx
6/14/03	Fleetwood Mac
6/25/03	Mormon Tabernacle Choir
7/30/03	Cher
8/4/03	John Mayer & Counting Crows
8/8/03	Ringo Starr & his All Starr Band
8/18/03	WWE RAW
8/29/03	ZZ Top with special guest Ted Nugent
9/3/03	Neil Young & Crazy Horse
9/24-28/03	Ringling Bros. And Barnum & Bailey Circus
10/4/03	Shania Twain
10/10-11/03	Professional Bull Riders
10/12/03	Meijer Basketball Classic: Detroit Pistons vs. Toronto Raptors
10/17/03	Michael W. Smith with special guest Mercy Me
10/25/03	Blue Man Group
11/1/03	Floyd Mayweather vs. Phillip Ndou (WBC Lightweight Championship)
11/12/03	Aerosmith & Kiss
11/21/03	Alan Jackson
11/28-29/03	Select Bank Classic Basketball Tournament
12/19/03	Trans-Siberian Orchestra
12/22/03	Simply Christmas with Amy Grant and Vince Gill



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High School Boys Basketball Double Header A Success for All Involved

Grand Rapids, MI – Pepsi Jam at the Van, the high school boys basketball double header played at Van Andel Arena® Monday, January 26th, was a success for all four schools involved.

Cedar Springs (6-0 O-K White, 9-0 overall) came out with a 70-56 victory over Northview (2-5 O-K White, 4-5 overall), and Rockford (5-1 O-K Red Metro, 7-4 overall) beat Grandville (0-5 O-K Red Metro, 1-7 overall) with score of 70-41.

“We had modest expectations for this event, and despite the weather, all of those expectations were exceeded!” Said Richard MacKeigan, SMG’s General Manager for Van Andel Arena® and DeVos Place, “we are already making plans for how this event can grow moving forward.”

Competing at Van Andel Arena® created a playoff feel for the teams. The large crowd and venue resulted in an excitement much like that of championship games, especially with the involvement of teams from different conferences.

SMG partnered with WBBL for the first time to bring Pepsi Jam at the Van to the Grand Rapids community. The four schools’ coaches and athletic directors expressed how grateful they were for the opportunity for the boys to play at the Arena. Commented Cedar Springs Athletic Director Pete Bush, “This is a great community event to showcase the high school student athletes in our area.”

All four schools had such a positive experience that they are extremely interested in some form of participation moving forward. All intend to be active in the planning process for next year’s event. “Name the day and time and we’ll be back!” said Rockford coach Steve Majerle.

A special thanks goes to Pepsi, whose support made this event possible.

WBBL 1340 AM is Grand Rapids' only all sports station. Listeners tune to WBBL for play-by-play coverage of high school football & basketball, MSU football & basketball, Red Wings hockey, Tigers baseball, ESPN Radio and Jim Rome. This year WBBL presents the Pepsi Jam at the Van in celebration of their tenth anniversary as well as ten years of high school football and basketball radio coverage.

Van Andel Arena® is managed by SMG. Headquartered in Philadelphia, SMG is the leading private facility management company. With 158 venues, SMG controls over 1.4 million entertainment seats worldwide, and over nine million square feet of exhibit space. SMG has managed the Van Andel Arena® since 1996 and DeVos Place since 1994. For additional company information, visit smgworld.com.



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