



## Meeting of Board of Directors

Wednesday, January 26, 2005  
7:30 a.m. – 9:30 a.m.  
Kent County Board Room, 3<sup>rd</sup> Floor  
Grand Rapids, Michigan 49503

### A G E N D A

- |  |             |
|--|-------------|
| <b>I. Call to Order</b>  |             |
| <b>II. Approval of November 24 and December 4, 2004 Minutes</b>                          | Action      |
| <b>III. Swearing-In of CAA Members by County Clerk</b>                                   |             |
| <b>IV. Election of Officers</b>  | Action      |
| <b>V. Presentation by ShowSpan, Inc. – The Economic Impact of Consumer Shows</b>         | Information |
| <b>VI. DeVos Place Construction Update – Erhardt/Hunt</b>                                | Information |
| <b>VII. Committee Reports</b>  | Information |
| a. Building Committee  | Information |
| b. Operations Committee  |             |
| i. Guidelines for Charitable Events  | Action      |
| ii. CVB Update   | Information |
| c. Finance Committee   |             |
| i. SMG November & December 2004 Financial Statements - DeVos Place® and Van Andel Arena® | Action      |
| ii. CAA November & December 2004 Financial Statements and Disbursements                  | Action      |
| iii. Revised Capital Improvement Budget - DeVos Place®                                   | Action      |
| <b>VIII. Exception to Parking Policy</b>   | Action      |
| <b>IX. SMG Report and Facilities Calendars</b>   | Information |
| <b>X. Public Comment</b>   |             |
| <b>XI. Next Meeting Date – February 23, 2005</b>   |             |
| <b>XII. Adjournment</b>  |             |



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

**DEVOS PLACE**<sup>SM</sup>  
DeVos Place  
303 Monroe Ave. NW  
Grand Rapids, MI 49503  
616.742.6500  
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**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS MEETING  
Wednesday, November 24, 2004**

**I.     Call to Order**

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

**Attendance**

**Members Present:**       John Logie, Chairman  
                              Lew Chamberlin  
                              Steve Heacock  
                              Gary McInerney

**Members Absent:**       Clif Charles  
                              Birgit Klohs  
                              Joseph Tomaselli

<b>Staff/Others:</b>	Jim Day	Kent County
	Daryl Delabbio	Kent County
	George Helmstead	CVB
	Kurt Kimball	City of Grand Rapids
	Chris Knape	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Steve Miller	SMG
	Bill Sewall	Erhardt/Hunt Joint Venture
	Dale Sommers	CAA Owner Representative
	Greg Sundstrom	City of Grand Rapids
	Susan Waddell	CAA
	Richard Wendt	Dickinson Wright
	Robert White	Kent County
	Steve Wilson	CVB

**II.     Minutes of Prior Meeting**

The October 27, 2004, Minutes were approved as submitted.

**III.    DeVos Place® Construction Update**

Mr. Sewall reported that the crew is racing the weather to complete exterior work on Monroe Avenue. Trees and planters are being installed on Lyon Square. Concrete curbs, roadway, and sidewalks continue between the Grand Center and the Amway Hotel, and north of the ballroom at the handicap accessible plaza. The physical components of the river walk are complete. Handrails are being constructed and will be test-fitted. Interior renovation of the Welsh lobby continued this month. Refinishing of the plaster and millwork are the focal activities. Refinishing of the old terrazzo flooring was "brought out" to be performed next month. Drywall and painting activities highlight the ballroom and pre-function areas.

Carpeting will be installed in the ballroom after the holidays. The main kitchen equipment has been installed and preparations are underway for testing.

#### IV. Committee Reports

##### Building Committee

Mr. Sommers reported that the Committee's final meeting would be December 15. The owner and contractor's contingencies remain strong. Any funds remaining after project completion will be transferred to the CAA's capital reserve account.

##### Operations Committee

Mr. Chamberlin reported that the Committee reviewed proposed guidelines for charitable events. The guidelines will be revised to incorporate the Committee's input and forwarded to Attorney Wendt for legal review.

Mr. Wilson reported that the CVB Board appointed Lew Chamberlin to serve another 4-year term on the CAA. The CVB is reviewing its long-term strategic planning and sales goals based upon the competitive analysis conducted by Strategic Marketing Group. The current edition of *Endless Vacations*, a national travel publication, features Grand Rapids as one of its "revamped" destinations. The CVB marketing department is working actively to leverage more coverage by giving complimentary copies of *The Grand Rapids Press* to convention delegates. The *Press* is enfolded with a special convention wrap that includes information on local activities, coupons, and special offers.

Mr. Helmstead reported that the CVB is 81% on pace with its sales goals. November was a rough month, with the CVB losing bids on three conventions. The American Jail Association convention for 2010 was lost to Cincinnati, Ohio (more night life, activities, shopping), the American Rabbit Breeders for 2006 was lost to Fort Worth, Texas (geography), and the Federation of Charter Schools will be meeting in Detroit. On December 4, the CVB is hosting the National Board of Public Treasurers for its board meeting.

##### Finance Committee

Mr. Heacock presented the Finance Committee report.

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

*Motion: Mr. Heacock, supported by Mr. Chamberlin, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended October 31, 2004. Motion carried unanimously.*

- b. Approval of CAA Disbursements and Financial Statements

*Motion: Mr. Heacock, supported by Mr. Chamberlin, moved to approve the Grand Rapids – Kent County Convention/Arena Authority Disbursements and Financial Statements for the period ended October 31, 2004. Motion carried unanimously.*

c. Investment Pool Agreement with Kent County Treasurer

*Motion: Mr. Heacock, supported by Mr. Chamberlin, moved to approve the Resolution Approving and Authorizing the Execution of an Investment Pool Agreement with the Kent County Treasurer. Motion carried unanimously.*

d. Fiscal Year Comparison of Estimate to Actual Results

A comparison of estimate to actual results for fiscal year 2004 was included in the agenda packet as an information item.

V. SMG Report

Facilities Calendar

Mr. MacKeigan reported that upcoming events at Van Andel Arena® include Michael W. Smith, Martina McBride, Trans-Siberian Orchestra, Yanni, Josh Groban, George Strait, Disney on Ice, Stars on Ice, Globetrotters, Pepsi Jam at the Van, arenacross, and Griffins hockey. Over at DeVos Performance Hall, ticket sales are strong for The Producers Broadway musical. Leann Rimes will join the Symphony Pops for a holiday show.

VII. Public Comments

Mayor Logie encouraged members to visit the public museum to experience The Endurance exhibit, an extraordinary tale of Ernest Shackleton's legendary expedition to the Antarctic.

VIII. Next Meeting Dates

The CAA Board will hold a strategic planning retreat on Saturday, December 4, 2004. The next CAA Board meeting is Wednesday, January 26, 2005.

IX. Adjournment

There being no other business, the meeting adjourned at 8:40 a.m.

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Susan M. Waddell, Recording Secretary

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS RETREAT  
Saturday, December 4, 2004**

**I. Call to Order and Chairman's Comments**

Chairman John H. Logie called the session to order at 8:00 a.m. Chairman Logie presided and Secretary/Treasurer Birgit Klohs recorded.

Attendance

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

Members Absent: None

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	George Heartwell	Mayor, City of Grand Rapids
	George Helmstead	CVB
	Chris Knape	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Susan Waddell	CAA
	Robert White	Kent County
	Steve Wilson	CVB

Mayor Logie welcomed Board members and Mayor Heartwell, who will be sworn-in as a member at the January meeting. Mayor Logie thanked Director Tomaselli and the Amway Grand Plaza Hotel for hosting the retreat. The retreat will give the Board an opportunity to "turn the wheels of the operation" in a leisurely setting. The retreat is an official meeting of the Board in accordance with the Open Meetings Act. Minutes will be taken and published, but the Board will take no action at this meeting.

Director Klohs presented a report on her recent business trip to Germany, accompanied by Governor Granholm and Oakland County Executive Brooks Patterson.

**II. CAA Structure**

The Building Committee will hold its last meeting on December 15 and then dissolve. The Operations and Finance Committees will take up any issues that were heretofore addressed by the Building Committee. Mayor Logie asked Lew Chamberlin, Chairman of the Operations Committee, and Steve Heacock, Chairman of the Finance Committee, to provide an assessment on their respective committees. In addition to Director Chamberlin, the Operations Committee includes Director Tomaselli, Greg Sundstrom of the City, John Canepa of Grand Action, Jim Day of the County, Milt Rohwer of the Frey Foundation, and Tom Carnegie of the County. The Committee meets the third Wednesday of each month.

at the Van Andel Arena®. Typically, the meetings entail either marketing or operations reports from SMG and a marketing report from the CVB. The Committee addresses operational issues for both the Arena and DeVos Place® and tours the facilities once or twice a year to check on cleanliness and maintenance. Meetings are canceled if there are no major items to address. Director Chamberlin likes this format and does not see major changes. Mayor Logie inquired if there have been noticeable gaps in the Committee's collective knowledge that ought to be filled by additional members. Director Chamberlin responded that Committee members participate very well and, if the Committee were expanded, it might be difficult to get everyone on the same page. Director Heacock encouraged the Operations Committee to look at including operating and marketing experts in the community (such as ShowSpan). Steve Wilson suggested adding a voice that understands technology. Mayor Logie added that the Committee may want to add members who are interested in the CAA's operations (as an example, he cited the GR Parking Commission includes members from Ellis Parking, GVSU, and the Waters Corp.). Mayor Heartwell inquired whether the format allows time for long-term planning. Director Chamberlin responded that, while the Committee's work is more tactical than strategic, the Committee does look forward and try to anticipate issues and problems. Mr. MacKeigan is conscientious about keeping the Committee up to date. Director Heacock stated the primary role of the Committee should be long-term strategic planning, and we already do more than we realize.

Director Heacock stated that the Finance Committee meets the third Thursday of each month. In addition to himself, the Committee includes Clif Charles, Bob White of the County, Jana Wallace of the City, and Bob Herr of Crowe Chizek. Additionally, Rich MacKeigan, Dale Sommers, and Chris Machuta attend regularly. Mr. Machuta prepares and presents the financial statements for both facilities. Ms. Waddell has taken on bookkeeping and reporting duties for the CAA. Mr. MacKeigan provides a long-term perspective on impending issues and capital needs and Mr. Sommers gives a status report on the construction project. Roles of the Committee include financial oversight, long-term planning, SMG contract administration, audit review, and policy development. At times, both the Operations and Finance Committees address the same issues. The Committee is knowledgeable, works well together, and asks intelligent questions. The Committee could be expanded because of quorum issues and Director Heacock would like to include public membership. Mr. Machuta does very good work, and the Committee is satisfied with how CAA funds are handled and reported. The Committee has been uncomfortable reviewing three different statements each month and will begin receiving a quarterly consolidated statement.

The Building Committee is disbanding in December since construction project is coming to an end. At that point, DeVos Place® will become a maintenance issue. Mr. MacKeigan stated that David Frey has suggested that the Committee could remain dormant until such time and it needs to be activated. Mayor Logie suggested that a couple of Building Committee members could be added to the Operations Committee and possibly put Dale Sommers on retainer. The Operations Committee will need to focus on marketing, operations, capital needs, and ongoing maintenance. Director Chamberlin stated the Operations Committee could continue its current format, expanding the committee to bring in additional expertise or the Board could create another committee especially for capital projects.

### III. Capital Needs

Capital needs will exceed operating revenues and current capital reserves in the next 5-10 years. Mr. MacKeigan forecasts that capital replacement costs could be as high as \$12 million for the next 10 years. Mr. White provided a financial perspective and overview of future capital reserve replacement. The CAA

should consider setting aside up to \$2.4 million annually (1% of construction costs) to build a capital reserve. The DeVos Place® parking ramps could generate \$600,000-\$800,000/year but we won't know that until completion of a 1-year cycle. This amount plus \$500,000 generated from facilities operations is only half of what the CAA will need for capital reserves. Director Klohs asked what other convention centers do to keep in good shape. Mr. MacKeigan responded that the norm is for governing entities to fund deficits, inclusive of capital needs. Mayor Logie added that some governmental units bond for capital replacement, designate a portion of their hotel/motel tax, or levy some other type of tax. Director McInerney suggested the possibilities of holding an annual fund drive or asking the City and County to set aside a modest amount for reserves. Director Heacock stated that the CAA has an obligation to go back to the entities we represent and report expectations, work hard to create a surplus, and identify funding opportunities (e.g., Grand Action or fundraising).

Mayor Logie asked if we could market something at the convention center, such as premium seats. Director McInerney stated that the opportunity to sell exists today, but might not in a year or two. He suggested that the CAA create a temporary committee or subcommittee of the Operations Committee to address fundraising and marketing for capital replacement needs. Director Chamberlin concurred with the idea to form a separate committee or task force that would look at capital replacement.

Director Tomaselli stated there are models out there to investigate. He just returned re-energized from a trip to five cities in two days to tour Marriott Hotels and convention centers. We have the whole package to compete with big cities – an accessible airport, walkable downtown, fair prices, safety, and friendly people. Director Charles stated that “after the lights go off” there is not much for minorities to do in Grand Rapids and the community needs to develop more social activities that recognize and respond to the growing diversity in both our community and our customers.

Mr. MacKeigan stated that even though the Arena is eight years old, it has weathered like a 12-year old building because it is the most successful venue of its size. Capital replacement is becoming critical to maintain the venue in a first-class manner. DP Fox has indicated that it would like Arena operating surpluses focused on Arena capital exclusively. That is not possible as the convention center will require major capital investment in the coming years. Mayor Logie recalled action taken by the CAA on June 28, 2000:

*Motion: Director Klohs, supported by Director Tomaselli moved that the SMG-generated Net Facility Income shall be utilized in the following priority, listed from highest to lowest priority for application of available balances:*

- A. Utility Invoices
- B. Insurance Premiums (Property and D&O)
- C. Legal/Bookkeeping/Auditing Invoices
- D. Staff Services and Other CAA Administrative Expenses
- E. Capital Improvement Financing – Assumed at \$1 Million Per Annum for a Ten-Year Period (FY01 through FY10 Inclusive) Based on Transfer of DDA Pledge for Convention Facility Financing
- F. Capital Replacement Reserve Funding – Based on 1% of Arena Construction cost Indexed at 3% Per Annum

*Motion carried unanimously.*

Director Heacock stated the tenants need to clearly understand that the Arena is meant to support the convention center. That is not to say we do not improve and maintain the Arena. Director Heacock

offered to work with Director McNerney on the capital replacement committee. Mayor Logie stated that one of the players at the table should be the State of Michigan. Director Heacock thanked Director Charles for raising diversity issues. The CAA should bring in other voices to form a task force under the marketing committee's purview. We cannot solve the problem by ourselves, but we can do something about it.

Mr. White provided a memorandum about implementing the investment pool agreement with Kent County. Mr. White has identified the capacity to transfer \$14 million from the construction fund and \$2 million from the operating account into the pooled investment account. Members reviewed the memorandum for the purpose of authorizing the investments. The transfer will take place on Tuesday, December 7, 2004.

#### IV. Marketing Fund

Members discussed the concept of developing a marketing fund for the Van Andel Arena® and DeVos Place®. Other markets have used such funds in an effort to secure/entice business. The emphasis of the marketing fund would be national and regional conventions. Many cities waive rental fees for exposure and economic impact, while some cities receive state matching funds. Because of the state's financial condition, state participation is not likely. SMG has the latitude to waive 20% of the rental fees and the Amway Hotel offers a rebate program. Most often a 20% discount is not enough to attract convention planners and the rebate program burdens hotel profits. Mayor Logie suggested that the CAA could host the charity fundraiser for itself and earmark the profits for the marketing fund. Director Chamberlin responded that we might cripple the ability to raise money if the incentive fund is the sole reason and no charity is involved. The Mayor then suggested a hybrid that includes both. Members concurred that this item be folded into the capital replacement committee chaired by Director McNerney.

#### V. City/County/State/CAA Relationships

In late September, the Grand Rapids City Commission prohibited a major piece of the Ringling Brothers Circus, Bailey's Comet. The fire marshal advised the Commission to prohibit the flaming cannoneer solely because the circus coincided with fire protection week. The act did not violate code nor did it cause an unsafe condition. The CAA is concerned about entertainment censorship and its contractual obligations. Members agreed that the CAA would need to work more closely with the local governments and communicate on the issues. It might be necessary to formulate a joint policy.

#### VI. Brainstorming/Other

Director Klohs inquired about next steps. Mayor Logie responded that staff would transcribe the minutes and send them out. Mayor Logie will talk with Director McNerney about the composition of his committee.

#### VII. Adjournment

There being no other business, the retreat adjourned at 11:30 a.m.

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Birgit M. Klohs, Recording Secretary



CITY CLERK



CITY OF GRAND RAPIDS

January 14, 2005

Ms. Sue Waddell  
VanAndel Arena  
130 Fulton W.  
Grand Rapids, MI 49503

Dear Ms. Waddell:

Enclosed is a copy of Resolution No. 73342, adopted by the Grand Rapids City Commission on January 11, 2005.

The resolution corrects the term served by Mayor George K. Heartwell on the Grand Rapids – Kent County Convention/Arena Authority to a four-year term expiring December 31, 2008.

If you need any further information, please contact Kathleen Black at 456-3004.

Sincerely,

  
Mary Therese Hegarty  
City Clerk

MTH/ts

Enclosure

RECEIVED

**\*73342** Com. Rabaut, supported by Com. Schmidt, moved adoption of the following resolution under the Consent Agenda:

RESOLVED that City Commission Proceeding No. 73244 is hereby rescinded;

RESOLVED that George K. Heartwell's appointment to the Grand Rapids - Kent County Convention/Arena Authority for a four-year term ending December 31, 2008, be confirmed.

**\* CONSENT AGENDA APPROVAL**

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held January 11, 2005.

  
Mary Therese Hegarty, City Clerk

## KENT COUNTY BOARD OF COMMISSIONERS

Thursday, January 4, 2005  
Administration Building - Room 310

Meeting called to order at 8:30 a.m. by County Clerk Mary Hollinrake.

County Clerk Mary Hollinrake administered the Oath of Office to County Commissioners as follows:

District 1 Theodore J. Vonk  
District 2 Fritz W. Wahlfield  
District 4 Gary L. Rolls  
District 5 Jack Horton  
District 6 Arthur S. Tanis  
District 7 Marvin J. Hiddema  
District 8 Jack D. Boelema  
District 9 Harold J. Voorhees  
District 10 David J. Morren  
District 11 Dean Agee  
District 12 Harold J. Mast  
District 13 Richard VanderMolen  
District 14 Tom Postmus  
District 15 Dick Bulkowski  
District 16 W. Paul Mayhue  
District 17 James Vaughn  
District 18 Dan Koorndyk  
District 19 Nadine Renee Klein

Present: Commissioners Agee, Boelema, Bulkowski, Hiddema, Horton, Klein, Koorndyk, Mast, Mayhue, Morren, Postmus, Rolls, Tanis, VanderMolen, Vaughn, Vonk, Voorhees, Wahlfield - 18.

Absent: Morgan (Excused) - 1.

Invocation: Commissioner Voorhees gave the invocation.  
The Pledge of Allegiance followed.

### ELECTION OF OFFICERS

Clerk Hollinrake opened nominations for Chair of the Board of Commissioners.  
Commissioner Koorndyk nominated David J. Morren. Motion was seconded by Commissioner VanderMolen.

Motion by Commissioner Voorhees, seconded by Commissioner Tanis, that the nominations be closed and that a unanimous ballot be cast for Commissioner David J. Morren.  
Motion carried by voice vote.  
Commissioner David J. Morren was declared elected Chair of the Board of Commissioners.

Chair Morren opened nominations for Vice Chair.  
Commissioner Wahlfield nominated Commissioner Roger Morgan. Motion was seconded by Commissioner Vonk.

Motion carried by voice vote.

Commissioner Roger Morgan was declared elected Vice Chair of the Board of Commissioners.

### PUBLIC COMMENT

Bill Hirsch, 8005 Breton Avenue, Gaines Township - As a former member of the Agricultural Preservation Board, he thanked Commissioner Jack Horton for his leadership and work on the board. He noted that the United States loses one million acres of farmland every year and complained about the board appointment process just completed.

### CONSENT AGENDA

- a) Approval of Minutes of December 9, 2004 Meeting
- b) December 7 and 21, 2004 Finance Committee Meeting Minutes (Reports of Claims and Allowances)

Motion by Commissioner Koorndyk, seconded by Commissioner Agee, that the consent agenda items be approved.

Motion carried:

Yeas: Agee, Boelema, Bulkowski, Hiddema, Horton, Klein, Koorndyk, Mast, Mayhue, Postmus, Rolls, Tanis, VanderMolen, Vaughn, Vonk, Voorhees, Wahlfield, Chair Morren - 18.  
Nays: 0

### APPOINTMENTS

#### 2005 STANDING COMMITTEES

<u>Finance &amp; Physical Resources Committee</u>	<u>Legislative &amp; Human Resources Committee</u>
Roger Morgan, Chair	Dan Koorndyk, Chair
Dean Agee, Vice-Chair	Ted Vonk, Vice-Chair
Jack Boelema	Dick Bulkowski
Jack Horton	Marvin Hiddema
Gary Rolls	Nadine Klein
Richard VanderMolen	Harold Mast
James Vaughn	Paul Mayhue
Harold Voorhees	Tom Postmus
Fritz Wahlfield	Art Tanis

#### 2005 SUBCOMMITTEES

Admin Building Task Force: Commissioners Wahlfield (Chair), Morgan, and VanderMolen  
Benefits/Bargaining Sub-Committee: Commissioners Morren (Chair), Morgan, Koorndyk, Tanis, and Bulkowski

Foreign Trade Zone Board (Kent, Ottawa, Muskegon)  
Ray DeWinkle

Friend of the Court Advisory Committee  
Cynthia Gladyness Thomas Hines  
Jack Imhoff Karen Jones

Grand Rapids - Kent County Convention / Arena Authority  
Joseph Tomaselli

John Ball Zoo Advisory Board  
James Burr, Jr. Tom TerMaat

Kent County Family and Children's Coordinating Council  
Gary Ellens Arlen-Dean Gaddy  
Debra Holmes-Garrison Diana Sieger

Kent District Library Board  
Joel Hondorp Sandra Wisniewski

Kent Hospital Finance Authority  
Daniel Koordyk

Millennium Park Architectural Advisory Board  
Francisco Vega

Pension Board  
John Linabury Michael Powers

Public Works Board  
Nadine Klein Tom Postmus  
Dale Sommers Ted Vonk

Road Commission Board  
Mark Jansen

Motion by Commissioner Koordyk, seconded by Commissioner VanderMolen, that the appointments by Chair to Standing Committees & Special Committees, Annual Chair Appointments to Various Committees, and Various Appointments to Boards, Commissions and Committees be approved.

(Commissioner Bulkowski requested that the Various Appointments to Boards, Commissions and Committees be voted on separately.)

Motion to approve appointments by Chair to Standing Committees & Special Committees, and Annual Chair Appointments to Various Committees carried by voice vote.

Motion by Commissioner Koordyk, seconded by Commissioner VanderMolen, that the Various Appointments to Boards, Commissions and Committees be approved.

Motion by Commissioner Bulkowski, seconded by Commissioner Mayhue, to amend the Agricultural Preservation Board appointments by replacing Brent Beuschel with Bill Hirsch. Motion to amend defeated:

Yeas: Boelena, Bulkowski, Horton, Mast, Mayhue, Postmus, Vaughn - 7.

Nays: Agee, Hiddema, Klein, Koordyk, Rolls, Tanis, VanderMolen, Vonk, Voorhees, Wahlfield, Chair Morren - 11.

Motion to approve the Various Appointments to Boards, Commissions and Committees carried by voice vote.

#### MISCELLANEOUS

Vision to End Homelessness  
Commissioner Mast asked Commissioners to join the Vision to End Homelessness campaign.

Thank you  
Commissioner Rolls thanked Commissioner Horton for his leadership on the Agricultural Preservation Board and encouraged him to stay involved.

Introductions  
Commissioner Klein introduced her husband, Greg; son, Michael; and in-laws Arlene & Ken Klein.

Commissioner Koordyk introduced his wife, Mary and children, Lindsey & Megan.

Commissioner Rolls introduced his guest, Tyler Jackson, a student at North Point Christian.

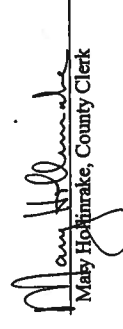
Commissioner Vaughn introduced his wife, Brenda.

Commissioner Hiddema introduced his wife, Myrt.

#### ADJOURNMENT

At 8:48 a.m., Commissioner Koordyk moved to adjourn, subject to the call of the Chairman, and to Thursday, January 27, 2003, at 8:30 a.m. for an Official Meeting. Seconded by Commissioner Wahlfield. Motion carried.

  
David J. Morfen, Chair

  
Mary Hoffmire, County Clerk




November 29, 2004

John Logie, Chairman  
Grand Rapids-Kent County Convention & Arena Authority  
Van Andel Arena  
130 Fulton West  
Grand Rapids MI 49503

Dear John:

At a meeting of the Grand Rapids/Kent County Convention & Visitors Bureau Board of Directors held on November 23, 2004, the board resolved to recommend reappointment of Mr. Lew Chamberlin as its representative on the Grand Rapids-Kent County Convention & Arena Authority. His term would be effective January 1, 2004 through December 31, 2008.

Sincerely,

  
Steve Wilson, President  
Grand Rapids/Kent County  
Convention & Visitors Bureau



## Memorandum

**To:** CAA Board Members

**From:** Susan Waddell, Administrative Manager

**Date:** January 17, 2005

**Re:** Election of Officers

Convention  
Arena  
Authority

John Logie,  
Chairman  
Lew Chamberlin  
Clif Charles  
Gary McInerney  
Steven Heacock  
Birgit Klohs  
Joseph Tomaselli

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Section 5.2 of the CAA Bylaws states that officers shall be elected at the initial organizational meeting of the Board and biannually at the Board meeting in January of every second year thereafter. In accordance with Section 5.2, last year the Board elected officers for terms expiring in January 2006, with the exception of the Chairman, John Logie, whose term expired December 31, 2004. Clif Charles was elected Vice Chairman and Birgit Klohs was elected Secretary/Treasurer.

An election should be held to pick a new Chairperson to complete John Logie's term. Section 5.1 of the CAA Bylaws states that the Chairman "shall be selected by the Board from its directors."

**Action requested:** Elect a Chairperson for a term expiring in January 2006.



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## SHOWSPAN INCORPORATED

2121 Celebration Dr. NE  
Grand Rapids, MI 49525

616-447-2860 Phone  
616-447-2861 Fax

[www.showspan.com](http://www.showspan.com)  
[events@showspan.com](mailto:events@showspan.com)

# Item V

January 18, 2005

Ms. Sue Waddell  
SMG  
130 W. Fulton  
Grand Rapids, Michigan 49503

Re: 2004 Economic Impact Study of the Grand Rapids Boat Show and the West Michigan Home & Garden Show.

Dear Sue:

Enclosed you will find a copy of the above referenced Economic Impact Study which we will present to the Convention and Arena Authority for the purpose of discussion at their next meeting on January 26.

We decided to contract with an independent market research firm, Kiekoover Marketing and Ev VanderHeide, Ph.D. of Calvin College's Economics Department to perform a study of the Economic Impact of two of our five Public Shows; the GRAND RAPIDS BOAT SHOW and the WEST MICHIGAN HOME & GARDEN SHOW. The overall economic impact on the local economy of these two public shows exceeds \$50 million.

Sincerely,

John D. Loeks  
President

Enclosure: ShowSpan Economic Impact Report for the 2004 Grand Rapids Boat Show and the 2004 West Michigan Home & Garden Show.

#### PRODUCERS OF FINE CONSUMER SHOWS

- Auto • Boat •
- Golf • Sport •
- RV & Travel •
- Home & Garden •
- Pool & Spa •



**GRAND RAPIDS, MI**  
• DeVos Place

**DETROIT, MI**  
• Pontiac Silverdome  
• Ford Field  
• Novi Expo Center

**LANSING, MI**  
• MSU Pavilion  
• Lansing Center

**MILWAUKEE, WI**  
• Midwest Airlines Center  
• State Fair Park  
Exposition Center



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Technical Notes on the Economic Impact Report

Economic impacts of an event can be measured in different ways depending on the type of information needed for decision-making. At the onset, there must be a determination of the area to be accounted for in the study. The results reported here are the impacts on the Kent County economy as a direct result of the Boat Show and the Home & Garden Show. Similar estimates could also be made for larger consolidations. The results within a smaller area will, of course, be less than results for a larger area. Additionally, it must be determined how far to carry the economic impacts throughout the community. First, there will be the obvious effects on businesses that have sales increase. For the Boat Show, we estimate that Kent County sales increased by nearly \$17 million for all types of business establishments. The vast majority of this impact is shown in the increased sales of boats and boating accessories. Second, suppliers to these producers and retailers will be affected (as will the suppliers' suppliers, etc.). Our estimate indicates that the indirect sales by suppliers were approximately \$10.1 million within Kent County. Finally, sales by both retailers and suppliers will generate income that gets spent within the region. These consumer sales are typically referred to as induced effects. Summing all three effects shows the extent to which the Boat Show affected the region; in this case, about \$26.9 million of economic activity resulted from Boat Show sales.

How certain are these impacts? They are based on estimated expenditure levels as reported by vendors at the show and through surveys conducted with attendees. The direct effects are clearly important as increased economic activity for the county. This is especially true since the distance traveled by attendees averaged 24.5 miles. At the other end of the spectrum, induced effects may have occurred at any rate, as employees could have received income from other activities had they not worked at the Boat Show or at a supplier for someone at the Boat Show. An impact of the show is that a specific set of industries and firms were targeted for economic expansion. It would be difficult to predict what might have happened had the show not taken place. The current study and estimates assume that no other activity would have taken place to provide similar expenditures.

Given an estimate of impact by dollar sales, it is possible to predict the employment effect of the event and to suggest how incomes and taxes would increase. Such information comes from historical relationships for more than 500 economic sectors for which data is available. For example, Boat Show activity was sufficient to employ an additional 267 workers in the county. Labor income was \$8.9 million dollars higher, while government revenues were \$2.1 million higher for the federal government and \$713,714 higher for the state/local governments, as a result of the show.

Estimates for all economic impact categories are reported in accompanying tables. Sales and employment impacts are reported by sector for greater detail. More detail is available if requested.



### Executive Summary

- In 2004, the Boat Show had 26,311 visitors and the Home & Garden Show had 39,709 visitors.
- The total economic impact of the Boat Show (direct and secondary impacts) is estimated to be \$26.9 million in expenditures, about \$8.9 million in employee income, 267 full-time equivalent jobs, and \$713,714 in selected state and local tax receipts.
- The total economic impact of the Home & Garden Show (direct and secondary impacts) is estimated to be \$23.6 million in expenditures, about \$9 million in employee income, 312 full-time equivalent jobs, and \$1.4 million in selected state and local tax receipts.

## Item VII.a.

### Project Update Through December, 2004

#### GRAND CENTER

The contract work in the Grand Center was completed in December as scheduled for Life-Safety Systems Testing.

Following city approval of the testing on December 29, the punch list and final cleaning operations prepared the space for SMG's move in.

In the kitchen, the walk-in coolers and freezers have been set up to achieve operating temperatures and the dishwashing machine has been set up and run. Only the exhaust hoods remain in process as the air balancing contractor and hood supplier are making flow adjustments.

#### WELSH/BALLROOM

The restoration of the old Welsh Lobby continued both inside and out. The exterior stone was cleaned and caulked, the plaster soffits and steel curtainwall were cleaned and painted, and broken glass panes were replaced. Rusted sections of the lower entrances were cut out and restored.

Inside, the plaster has been patched and painted, the woodwork is being cleaned and replaced where damaged, the old wooden HVAC supply grills are being reconstructed and the terrazzo floor has been stripped, polished and sealed.

Doors and hardware are being installed thru out the lobby and balance of the project.

In the Ballroom and support space, finishes are progressing, as carpet and wall/ceiling finishes are complete in Meeting Rooms and such. The Prefunction space has been prepared for carpet to begin. Inside the Ballroom, punch list work has begun, along with systems and equipment training for the operator's staff.

Fire alarm testing and sprinkler system inspections have begun in the final areas of the project, with these events due to conclude in mid January 2005.

#### SITework

The exterior concrete work has now been completed.

After Christmas, a break in the freezing temperatures allowed the site contractor, along with a broad spectrum of volunteers, to perform a through clean up of the exterior of the building in preparation for the Grand Opening Event on February 1.

Replacing broken brick pavers is now in process along with punch list. Site accessories such as light poles, benches, bike racks, etc... are being installed next month.

The handrails for the river walk began arriving in December and installation will continue into next month as well.

WILLIAM D. SEWALL  
Construction Manager



**Memorandum**

**TO:** Grand Rapids-Kent County Convention/Arena Authority (CAA)  
**FROM:** Lew Chamberlin, CAA Operations Committee Chair  
**RE:** Proposed Charitable Event Guidelines  
**DATE:** January 19, 2005

Convention  
Arena  
Authority

John Logie,  
Chairman  
Lew Chamberlin  
Clif Charles  
Gary McInerney  
Steven Heacock  
Birgit Klohs  
Joseph Tomaselli

.....  
Attached are some guidelines for your consideration when determining which charitable organization(s) the Van Andel Arena will support through special events held at the facility. The Operations Committee has reviewed the Charitable Event Guidelines thoroughly and has received endorsement from legal counsel, Richard A. Wendt.

Action Recommended: Approve the Charitable Event Guidelines.



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

**DEVOS PLACE**<sup>SM</sup>  
DeVos Place  
303 Monroe Ave. NW  
Grand Rapids, MI 49503  
616.742.6500  
Fax 616.742.6590

## Charitable Event Guidelines

A. Favorable consideration should be provided to organizations that meet the following criteria:

1. West Michigan area charities with a 501(c) (3) status that predominantly maintain and distribute contributions and/or services within the West Michigan area.
2. Encourages and participates in collaborations with other institutions.
3. Benefits its constituency by increasing and improving access to necessary resources, programs and/or care.
4. Participates in, or develops, programs and activities that benefit the greatest number of people.
5. A proven track record of volunteerism and fund-raising and willingness to participate in the event(s) through such activities.

B. Interested organizations should submit the following in writing:

1. Brief description of the organization's purpose, history, and accomplishments.
2. Audited financial statements for the most recently completed fiscal year.
3. Operating budget for the current year.
4. List of corporations and foundations that support the organization and the most recent amounts contributed.
5. Potential uses for funds received if selected by CAA.
6. An IRS determination letter of tax-exempt status.
7. Names and affiliations of the Board of Directors.
8. List of any known, threatened, or pending litigation involving the organization.

C. The CAA reserves the right to accept and/or reject any submission for any reason or for no reason. The CAA will not select organizations that are primarily religious or political in nature, nor will direct use by individuals be permitted.

Convention

Arena

Authority

John Logie,  
Chairman

Lew Chamberlin

Clif Charles

Gary McInerney

Steven Heacock

Birgit Klohs

Joseph Tomaselli



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# ~~DEVOS PLACE~~

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED NOVEMBER 30, 2004

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



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*An SMG Managed Facility*

DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2005

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	164	230	394	376	18
ATTENDANCE	140,868	499,314	640,182	670,425	(30,243)
DIRECT EVENT REVENUE	534,840	1,463,117	1,997,957	1,987,844	10,113
ANCILLARY REVENUE	424,658	689,174	1,113,832	1,092,068	21,764
TOTAL EVENT REVENUE	959,498	2,152,291	3,111,789	3,079,912	31,877
TOTAL OTHER REVENUE	43,109	106,444	149,553	167,000	(17,447)
TOTAL OPERATING REVENUE	1,002,607	2,258,735	3,261,342	3,246,912	14,430
INDIRECT EXPENSES					
EXECUTIVE	49,082	77,215	126,297	127,132	835
FINANCE	88,242	115,515	203,757	201,022	(2,735)
MARKETING	23,485	36,197	59,682	61,260	1,578
OPERATIONS	321,594	673,035	994,629	1,000,395	5,766
EVENT SERVICES	280,732	598,905	879,637	884,638	5,001
BOX OFFICE	30,850	56,385	87,235	85,107	(2,128)
SALES	60,976	87,118	148,094	135,838	(12,256)
OVERHEAD	680,477	1,471,164	2,151,641	2,140,462	(11,179)
TOTAL OPERATING EXP.	1,535,438	3,115,534	4,650,972	4,635,854	(15,118)
NET REVENUE ABOVE EXPENSES	(532,831)	(856,799)	(1,389,630)	(1,388,942)	(688)
CAPITAL					-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(532,831)	(856,799)	(1,389,630)	(1,388,942)	(688)

Comments:

DeVos Place performed ahead of budget, and a little ahead of first quarter forecast. The highlight of the month was the Polar Express premier that Hospice hosted at the convention center. It was both a great event to showcase the facility, but also a way of showcasing how the facility can be used in conjunction with other facilities in the area for a single seamless event.

  
General Manager

  
Finance Director

**DE VOS PLACE  
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, 2005, compared to budget and to the prior year:

<b>MONTH</b>	<b>November Actual</b>	<b>November Budget</b>	<b>November FY 2004</b>
Number of Events	50	38	32
Attendance	42,863	47,400	43,953
Direct Event Income	\$127,283	\$135,890	\$132,201
Ancillary Income	128,122	45,364	21,476
Other Income	19,595	13,917	6,982
Indirect Expenses	(345,877)	(392,362)	(223,531)
Net Income	(\$70,877)	(\$197,191)	(\$62,871)

<b>YTD</b>	<b>YTD 2005 Actual</b>	<b>YTD 2005 Budget</b>	<b>YTD 2004 Prior Year</b>
Number of Events	164	131	857
Attendance	140,868	189,575	82,281
Direct Event Income	\$534,840	\$562,555	\$261,907
Ancillary Income	424,658	275,435	72,506
Other Income	43,109	69,585	28,931
Indirect Expenses	(1,535,438)	(1,718,810)	(1,003,332)
Net Income	(\$532,831)	(\$811,235)	(\$639,988)

### **EVENT INCOME**

Event income came in consistent with budgeted expectations. Couple of the events not hosted during the month were replaced with comparable rentals, as well as, some small meetings which increased the event number.

### **ANCILLARY INCOME**

Ancillary income came in well ahead of budget for the month. This is due to a combination of higher than anticipated spending for the budgeted events, and new events having higher spending than the events that they replaced. October audio/visual revenue was received too late for reporting, and was under accrued so balance is realized in November.

### **INDIRECT EXPENSES**

Indirect expenses came in below budget for the month, but will begin to level off over the next three months.



DE VOS PLACE  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 11/30/04

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	125,144	121,935	113,377	522,638	544,936	237,796
SERVICES INCOME	2,139	13,955	18,824	12,201	17,619	24,112
TOTAL DIRECT EVENT INCOME	127,283	135,890	132,201	534,840	562,555	261,907
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	37,903	15,144	7,634	138,932	100,470	24,675
NOVELTY	1,884	1,000	3,608	2,975	4,350	4,835
ELECTRICAL	17,542	7,828	609	99,680	85,385	3,029
OTHER ANCILLARY	70,794	21,392	9,626	183,072	85,230	39,966
TOTAL ANCILLARY INCOME	128,122	45,364	21,476	424,658	275,435	72,506
TOTAL EVENT INCOME	255,405	181,254	153,678	959,498	837,990	334,413
OTHER OPERATING INCOME	19,595	13,917	6,982	43,109	69,585	28,931
ADJUSTED GROSS INCOME	275,000	195,171	160,660	1,002,607	907,575	363,344
INDIRECT EXPENSES						
EXECUTIVE	10,244	10,596	19,444	49,082	52,980	57,020
FINANCE	15,938	16,752	13,112	88,242	83,760	68,656
MARKETING	4,557	5,104	4,043	23,485	25,520	22,667
OPERATIONS	77,938	82,074	48,537	321,594	414,870	195,242
EVENT MANAGEMENT	42,412	73,470	37,730	280,732	367,350	175,646
BOX OFFICE	6,039	7,093	5,135	30,850	35,465	30,531
SALES	9,371	11,321	12,109	60,976	56,605	71,937
OVERHEAD	179,379	185,952	83,420	680,477	682,260	381,632
INDIRECT EXPENSES	345,877	392,362	223,531	1,535,438	1,718,810	1,003,332
NET OPERATING INCOME	<70,877>	<197,191>	<62,871>	<532,831>	<811,235>	<639,988>
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	48	0	0	48
OTHER EXPENSES	0	0	48	0	0	48
NET INCOME (LOSS)	<70,877>	<197,191>	<62,919>	<532,831>	<811,235>	<640,036>
=====	=====	=====	=====	=====	=====	=====

DE VOS PLACE  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 11/30/04

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	16,831	1,168	0	16,831
Changeover Setup Billed	716	0	0	3,117	0	0
Stagehands Billed	170,757	105,500	90,111	328,867	250,215	232,283
Security Billed	14,156	6,165	7,236	41,087	14,810	12,256
Ushers & Tix Takers Billed	18,338	16,500	16,153	39,466	37,425	31,754
Box Office Billed	2,200	2,200	2,300	5,300	5,200	4,700
Ticketing Service Billed	17,537	14,850	20,885	32,765	31,800	28,457
Utilities Billed	0	0	0	0	0	300
City Police Fire Billed	5,828	750	2,811	11,673	750	4,529
Traffic Control Billed	0	0	141	4,781	0	194
EMT Medical Billed	2,400	2,400	2,775	8,369	5,144	5,328
Cleaning Billed	106	0	0	1,246	0	75
Insurance Billed	75	0	0	3,285	0	786
Telephone Billed	3,300	1,500	3,350	29,620	2,250	5,445
Other Production Billed	6,531	0	8,919	17,493	0	11,912
<b>TOTAL SERVICE INCOME</b>	<b>241,943</b>	<b>149,865</b>	<b>171,513</b>	<b>528,237</b>	<b>347,594</b>	<b>354,851</b>
Advertising Expense	0	0	16,831	1,168	0	16,831
Stagehand Wages	156,926	102,335	85,458	301,389	242,708	224,840
Security Wages	0	6,165	0	0	14,810	0
Contracted Security Expense	13,166	0	7,475	38,371	0	12,727
Ushers & T/T Wages	12,836	11,550	10,815	27,626	26,198	21,736
Ticket Sellers Wages	782	2,200	1,468	3,081	5,550	2,529
Ticket Service Charge Expense	8,255	5,940	9,917	13,760	12,720	12,793
Ticket Supplies	0	0	0	5,481	0	0
City Police Fire Expense	5,828	0	2,811	11,611	0	4,529
Traffic Control Expense	0	200	576	6,052	325	1,745
EMT Medical Expense	2,557	2,300	1,818	7,522	4,994	3,973
Production Materials	0	0	492	0	0	492
Cleaning Wages	0	5,220	4,791	0	22,670	14,146
Contracted Cleaning Expense	13,454	0	0	60,172	0	0
Insurance Expense	1,029	0	0	2,463	0	674
Allocated Telephone Expense	825	0	838	7,519	0	1,361
Production Expense	24,148	0	9,400	29,823	0	12,362
<b>TOTAL SERVICE EXPENSE</b>	<b>239,804</b>	<b>135,910</b>	<b>152,689</b>	<b>516,036</b>	<b>329,975</b>	<b>330,740</b>
<b>NET SERVICE INCOME</b>	<b>2,139</b>	<b>13,955</b>	<b>18,824</b>	<b>12,201</b>	<b>17,619</b>	<b>24,112</b>

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DE VOS PLACE  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 11/30/04

ASSETS

CURRENT ASSETS

CASH	1,742,397
ACCOUNTS RECEIVABLE	567,966
PREPAID EXPENSES	120,781

TOTAL CURRENT ASSETS	2,431,143
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FIXED ASSETS

TOTAL ASSETS	2,431,143
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	276,875
ACCRUED EXPENSES	193,094
ADVANCED TIX SALES & DEPOSITS	717,730

TOTAL CURRENT LIABILITIES	1,187,699
---------------------------	-----------

EQUITY

FUNDING RECEIVED	540,009
RETAINED EARNINGS	1,236,267
NET INCOME (LOSS)	<532,831>

TOTAL EQUITY	1,243,444
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TOTAL LIABILITIES & EQUITY	2,431,143
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5

DE VOS PLACE  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 11/30/04

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	53,101	80,317	57,470	289,266	401,585	285,532
Part-Time	11,780	62,251	11,413	36,988	311,255	34,505
Wages-Trade	163,490	23,426	114,809	442,043	117,130	331,564
Auto Allowance	1,971	0	1,971	9,554	0	9,854
Auto Expense	150	2,121	150	750	10,605	750
Taxes & Benefits	51,761	43,818	38,194	190,170	219,090	150,624
Less: Allocation/Reimbursement	<186,407>	<79,161>	<118,517>	<417,234>	<395,805>	<341,930>
<b>TOTAL LABOR COSTS</b>	<b>95,846</b>	<b>132,772</b>	<b>105,489</b>	<b>551,538</b>	<b>663,860</b>	<b>470,899</b>
Contracted Security	18,183	19,000	8,347	96,594	95,000	33,377
Contracted Cleaning	106	0	0	106	0	0
Other Contracted Services	447	200	155	688	1,000	464
Travel & Entertainment	939	1,626	1,356	2,513	8,130	5,655
Corporate Travel	0	0	1,231	<221>	0	1,452
Meetings & Conventions	2,185	1,958	20	11,643	11,290	6,376
Dues & Subscriptions	650	417	40	2,023	2,085	2,023
Employee Training	0	833	0	7,021	4,165	0
Computer Expense	2,938	5,417	5,317	26,004	27,085	17,841
Professional Fees	2,160	2,625	12,970	16,567	13,125	24,559
Marketing & Advertising	3,112	2,467	2,828	16,086	12,335	32,271
Box Office Expenses	<159>	0	<4>	173	0	19
Small Equipment	0	0	0	75	0	0
Trash Removal	3,466	3,000	713	6,403	15,000	1,925
Equipment Rental	1,248	500	747	4,733	2,500	3,794
Exterminating	400	500	0	5,393	2,500	1,125
Cleaning	0	0	0	0	3,000	0
Construction Costs	0	0	3,414	2,307	0	17,174
Repairs & Maintenance	29,771	21,721	1,312	79,409	108,605	16,967
Supplies	9,350	19,208	6,478	52,758	96,040	27,086
Bank Service Charges	1,476	750	923	4,674	3,750	3,377
Insurance	16,978	16,454	11,339	79,060	82,270	40,331
Licenses & Fees	0	0	0	99	0	0
Printing & Stationary	0	1,125	238	629	5,625	1,846
Office Supplies	2,241	625	193	3,161	3,125	3,010
Postage	19	417	396	619	2,085	889
Parking Expense	1,136	1,000	2,450	7,175	5,000	9,584
Telephone Long Distance	7,369	6,000	7,311	30,123	30,000	28,755
Utilities	126,907	134,800	31,752	435,349	426,500	157,120
Base Fee	19,935	19,780	19,354	100,255	98,900	96,772
Less: Allocated/Reimbursement	<825>	<833>	<838>	<7,519>	<4,165>	<1,361>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>250,031</b>	<b>259,590</b>	<b>118,042</b>	<b>983,900</b>	<b>1,054,950</b>	<b>532,432</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>345,877</b>	<b>392,362</b>	<b>223,531</b>	<b>1,535,438</b>	<b>1,718,810</b>	<b>1,003,332</b>

**SMG - Van Andel Arena & DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2005**

**CAPITAL IMPROVEMENTS**

	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Box Office - Electronic Signage	14,000		14,000	Open
Spotlights	125,000		125,000	Open
Security System Upgrades	39,489		39,489	Open
Speaker System - Main Entrance	15,000	9,406	5,594	Closed
<b>Total Arena</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	
<b>DeVos Place</b>				
<b>Total DeVos Place</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total Capital Improvements</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,523,707	(1,389,630)	134,077	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(124,250)	(688)	(124,938)	243,787

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Base Fee	239,220	239,219	478,439	464,504
<b>Incentive Fee</b>				
Revenue	4,739,690	3,261,342	8,001,032	7,412,186
Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	274,352	14,430	288,782	695,948
Incentive Fee **	-	-	-	139,190
<b>Total SMG Management Fee</b>	<b>239,220</b>	<b>239,219</b>	<b>478,439</b>	<b>603,694</b>

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



## **VAN ANDEL ARENA**

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED NOVEMBER 30, 2004**

**Distribution:**

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

**Robert White**

**Glen Mon**

**Bob Johnson**

**Gary McAneney**

**John Szudzik**

**Richard MacKeigan**

**Chris Machuta**



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***An SMG Managed Facility***

VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2005

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	38	75	113	117	(4)
ATTENDANCE	180,058	493,480	673,538	709,200	(35,662)
DIRECT EVENT INCOME	302,915	942,511	1,245,426	1,278,171	(32,745)
ANCILLARY INCOME	465,329	1,012,392	1,477,721	1,535,524	(57,803)
TOTAL EVENT INCOME	768,244	1,954,903	2,723,147	2,813,695	(90,548)
TOTAL OTHER INCOME	867,725	1,148,818	2,016,543	1,985,000	31,543
TOTAL INCOME	1,635,969	3,103,721	4,739,690	4,798,695	(59,005)
INDIRECT EXPENSES					
EXECUTIVE	48,360	59,953	108,313	107,510	(803)
FINANCE	76,723	114,978	191,701	193,611	1,910
MARKETING	96,802	134,692	231,494	229,064	(2,430)
OPERATIONS	507,131	671,952	1,179,083	1,192,081	12,998
BOX OFFICE	42,849	66,919	109,768	107,120	(2,648)
LUXURY SEATING	36,631	75,373	112,004	113,597	1,593
SKYWALK ADMIN	15,468	21,202	36,670	36,941	271
OVERHEAD	435,314	811,636	1,246,950	1,303,597	56,647
TOTAL INDIRECT EXP.	1,259,279	1,956,705	3,215,983	3,283,521	67,538
NET REVENUE ABOVE EXPENSES	376,691	1,147,016	1,523,707	1,515,174	8,533
LESS ALLOCATION FOR CAPITAL REPLACEMENT					
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	376,691	1,147,016	1,523,707	1,515,174	8,533

Comments:

The Arena performed below budgeted expectations for the month of November, however, consistent with the first quarter revised forecast. The Arena was budgeted to host three concerts and only hosted one. The number of events was offset by a higher than expected Griffins games played during the month.

  
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, 2005, compared to budget and to the prior year:

<b>MONTH</b>	<b>November Actual</b>	<b>November Budget</b>	<b>November FY 2004</b>
Number of Events	12	9	14
Attendance	48,675	54,000	57,689
Direct Event Income	\$18,003	\$126,045	\$59,377
Ancillary Income	92,611	129,685	154,250
Other Income	184,395	165,416	161,976
Indirect Expenses	(281,637)	(273,002)	(250,190)
Net Income	<u>\$13,372</u>	<u>\$148,144</u>	<u>\$125,414</u>

<b>YTD</b>	<b>YTD 2005 Actual</b>	<b>YTD 2005 Budget</b>	<b>YTD 2004 Prior Year</b>
Number of Events	38	36	45
Attendance	180,058	226,700	252,873
Direct Event Income	\$302,915	\$560,889	\$479,905
Ancillary Income	465,329	601,416	578,193
Other Income	867,725	827,080	853,138
Indirect Expenses	(1,259,277)	(1,365,010)	(1,209,357)
Net Income	<u>\$376,693</u>	<u>\$624,375</u>	<u>\$701,879</u>

**EVENT INCOME**

Event income came in below budget for the month as the original budget called for three concerts when only one was hosted. The Cher concert hosted during the month performed a little ahead of expectations. More Griffins games were hosted during the month than expected, however, that is a shift of revenue versus gained revenue.

**ANCILLARY INCOME**

Ancillary income performed below budget for the month due to the event mix hosted, however, per caps for events came in higher than expected. Griffins attendance has been lower than expected for the start of the season, but higher than past per caps have helped offset some of the lost revenue.

**INDIRECT EXPENSES**

Indirect expenses came in at expected levels for the month.



VAN ANDEL ARENA  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 11/30/04

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
DIRECT EVENT INCOME						
RENTAL INCOME	137,094	143,500	95,809	466,575	689,850	611,568
SERVICES INCOME	<119,091>	<17,455>	<36,432>	<163,660>	<128,961>	<131,663>
TOTAL DIRECT EVENT INCOME	18,003	126,045	59,377	302,915	560,889	479,905
ANCILLARY INCOME						
FOOD & BEVERAGE	79,826	102,665	134,973	382,126	483,890	482,490
NOVELTY	5,855	23,940	13,018	70,753	110,066	86,084
OTHER ANCILLARY	6,930	3,080	6,259	12,450	7,460	9,619
TOTAL ANCILLARY INCOME	92,611	129,685	154,250	465,329	601,416	578,193
TOTAL EVENT INCOME	110,614	255,730	213,627	768,245	1,162,305	1,058,098
OTHER OPERATING INCOME	184,395	165,416	161,976	867,725	827,080	853,138
ADJUSTED GROSS INCOME	295,009	421,146	375,604	1,635,970	1,989,385	1,911,236
INDIRECT EXPENSES						
EXECUTIVE	10,786	8,834	8,750	48,360	44,170	50,981
FINANCE	15,656	16,009	12,473	76,723	80,045	62,767
MARKETING	22,903	18,963	16,968	96,802	94,815	80,129
LUXURY SEATING	5,912	9,467	5,158	36,631	47,335	35,946
OPERATIONS	102,940	99,089	91,271	507,131	495,445	441,847
BOX OFFICE	7,187	8,928	8,367	42,849	44,640	43,660
SKYWALK ADMINISTRATION	3,471	3,079	3,152	15,468	15,395	15,362
OVERHEAD	112,781	108,633	104,052	435,314	543,165	478,666
INDIRECT EXPENSES	281,637	273,002	250,190	1,259,277	1,365,010	1,209,357
NET OPERATING INCOME	13,372	148,144	125,414	376,693	624,375	701,879
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	837	0	0	49,653
OTHER EXPENSES	0	0	837	0	0	49,653
NET INCOME (LOSS)	13,372	148,144	124,577	376,693	624,375	652,226

VAN ANDEL ARENA  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 11/30/04

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	18,964	0	32,212	172,066	0	132,933
Labor Billed	1,485	2,700	1,080	6,458	8,100	6,930
Changeover Setup Billed	10,122	13,650	12,736	37,949	57,650	50,329
Stagehands Billed	22,673	45,500	76,140	169,618	223,400	233,926
Security Billed	10,636	19,500	16,339	59,694	81,600	69,272
Ushers & Tix Takers Billed	9,438	15,450	15,097	37,893	54,450	50,969
Box Office Billed	2,297	2,950	903	6,038	6,950	4,128
Ticketing Service Billed	2,443	24,150	32,416	64,690	113,650	105,957
Utilities Billed	0	0	2,000	1,000	0	2,000
City Police Fire Billed	280	1,008	644	3,860	5,268	3,696
EMT Medical Billed	1,204	2,150	1,076	7,968	9,775	6,156
Cleaning Billed	8,859	16,400	12,720	31,420	55,400	46,187
Group Sales Commissions Billed	0	0	0	870	0	327
Telephone Billed	2,955	3,100	5,570	14,750	14,435	17,360
Damages Billed	0	0	0	0	0	350
Other Production Billed	9,355	12,600	30,817	80,802	64,600	148,102
<b>TOTAL SERVICE INCOME</b>	<b>100,711</b>	<b>159,158</b>	<b>239,751</b>	<b>695,075</b>	<b>695,278</b>	<b>878,620</b>
Advertising Expense	19,103	0	35,115	172,597	0	132,580
Labor Wages	1,262	2,295	918	5,489	7,344	5,891
Contracted Changeover Setup Expense	51,232	19,809	25,198	77,839	86,159	78,957
Stagehand Wages	21,562	44,915	68,045	167,906	226,560	229,917
Contracted Security Expense	20,744	21,200	31,634	93,888	94,880	100,794
Contracted Ushers & T/T Expense	44,707	21,800	26,259	81,712	88,480	79,901
Ticket Sellers Wages	1,953	0	768	5,133	0	3,180
Ticket Sellers P/R Taxes Bene	0	0	0	0	0	329
Ticket Service Charge Expense	1,960	24,150	23,008	59,763	128,650	93,284
City Police Fire Expense	280	1,008	644	3,780	6,854	3,696
EMT Medical Expense	1,034	2,669	2,945	9,402	13,066	9,215
Contracted Cleaning Expense	46,201	25,309	28,503	82,511	103,435	85,474
Insurance Expense	0	0	0	0	0	12,816
Allocated Telephone Expense	887	858	1,790	4,305	4,211	5,837
Production Expense	8,878	12,600	31,355	94,411	64,600	168,413
<b>TOTAL SERVICE EXPENSE</b>	<b>219,802</b>	<b>176,613</b>	<b>276,183</b>	<b>858,735</b>	<b>824,239</b>	<b>1,010,283</b>
<b>NET SERVICE INCOME</b>	<b>&lt;119,091&gt;</b>	<b>&lt;17,455&gt;</b>	<b>&lt;36,432&gt;</b>	<b>&lt;163,660&gt;</b>	<b>&lt;128,961&gt;</b>	<b>&lt;131,663&gt;</b>
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 11/30/04

ASSETS

CURRENT ASSETS

CASH	3,698,637
ACCOUNTS RECEIVABLE	446,234
PREPAID EXPENSES	127,397

TOTAL CURRENT ASSETS	4,272,268
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FIXED ASSETS

TOTAL ASSETS	4,272,268
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	724,669
ACCRUED EXPENSES	339,473
DEFERRED INCOME	1,078,368
ADVANCED TIX SALES & DEPOSITS	1,614,635

TOTAL CURRENT LIABILITIES	3,757,145
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EQUITY

FUNDS REMITTED	<1,450,000>
FUNDING RECEIVED	125,061
RETAINED EARNINGS	1,463,368
NET INCOME (LOSS)	376,693

TOTAL EQUITY	515,123
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TOTAL LIABILITIES & EQUITY	4,272,268
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VAN ANDEL ARENA  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 11/30/04

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	51,460	56,102	47,962	288,751	280,510	250,667
Part-Time	5,803	3,333	4,907	24,305	16,665	18,373
Wages-Trade	50,477	80,733	89,169	322,121	403,665	341,146
Wages-Trade Part-Time	200	0	0	5,219	0	0
Auto Allowance	577	0	577	2,885	0	2,885
Auto Expense	300	985	300	1,500	4,925	1,500
Taxes & Benefits	29,908	34,180	31,744	165,556	170,900	145,423
Less: Allocation/Reimbursement	<40,211>	<70,716>	<83,370>	<259,402>	<353,580>	<304,103>
<b>TOTAL LABOR COSTS</b>	<b>98,514</b>	<b>104,617</b>	<b>91,289</b>	<b>550,935</b>	<b>523,085</b>	<b>455,892</b>
Contracted Security	19,720	19,000	22,753	95,522	95,000	107,615
Contracted Cleaning	2,346	2,292	2,098	12,493	11,460	17,211
Other Contracted Services	314	300	314	2,190	1,500	1,570
Travel & Entertainment	1,377	558	914	2,314	2,790	3,914
Corporate Travel	0	625	0	0	3,125	0
Meetings & Conventions	1,710	350	372	4,146	1,750	1,071
Dues & Subscriptions	784	208	0	2,193	1,040	2,601
Employee Training	0	750	0	200	3,750	100
Computer Expense	4,333	5,417	9,939	24,648	27,085	23,261
Professional Fees	1,875	2,375	520	10,781	11,875	14,987
Marketing & Advertising	11,010	7,500	5,847	21,336	37,500	26,670
Box Office Expenses	377	0	<61>	225	0	<604>
Small Equipment	0	0	0	409	0	0
Trash Removal	2,930	1,250	586	6,464	6,250	6,035
Equipment Rental	982	1,300	1,015	5,703	6,500	5,992
Landscaping	0	292	0	0	1,460	0
Exterminating	248	333	248	1,238	1,665	1,238
Cleaning	0	900	0	0	4,500	9,083
Repairs & Maintenance	10,805	9,333	12,396	55,315	46,665	39,725
Supplies	14,036	12,841	7,545	54,391	64,205	38,865
Bank Service Charges	939	1,000	1,046	3,212	5,000	4,078
Insurance	11,486	13,269	10,951	53,119	66,345	48,522
Printing & Stationary	0	1,750	0	687	8,750	0
Office Supplies	2,502	1,000	624	6,319	5,000	4,000
Postage	423	1,000	1,411	3,940	5,000	4,298
Parking Expense	2,149	1,500	1,960	12,843	7,500	11,803
Telephone Long Distance	4,369	3,000	4,077	28,750	15,000	24,039
Utilities	72,438	63,567	59,577	218,833	317,835	278,785
Base Fee	19,935	19,780	19,354	99,094	98,900	96,772
Common Area Expense	<3,078>	<2,730>	<2,795>	<13,717>	<13,650>	<11,726>
Less: Allocated/Reimbursement	<887>	<375>	<1,790>	<4,305>	<1,875>	<6,439>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>183,123</b>	<b>168,385</b>	<b>158,901</b>	<b>708,342</b>	<b>841,925</b>	<b>753,465</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>281,637</b>	<b>273,002</b>	<b>250,190</b>	<b>1,259,277</b>	<b>1,365,010</b>	<b>1,209,357</b>

**SMG - Van Andel Arena & DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2005**

**CAPITAL IMPROVEMENTS**

	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Box Office - Electronic Signage	14,000		14,000	Open
Spotlights	125,000		125,000	Open
Security System Upgrades	39,489		39,489	Open
Speaker System - Main Entrance	15,000	9,406	5,594	Closed
<b>Total Arena</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	
<b>DeVos Place</b>				
<b>Total DeVos Place</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total Capital Improvements</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,523,707	(1,389,630)	134,077	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(124,250)	(688)	(124,938)	243,787

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Base Fee	239,220	239,219	478,439	464,504
Incentive Fee				
Revenue	4,739,690	3,261,342	8,001,032	7,412,186
Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	274,352	14,430	288,782	695,948
Incentive Fee **	-	-	-	139,190
<b>Total SMG Management Fee</b>	<b>239,220</b>	<b>239,219</b>	<b>478,439</b>	<b>603,694</b>

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

# DEVOS PLACE

## DE VOS PLACE

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED DECEMBER 31, 2004**

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



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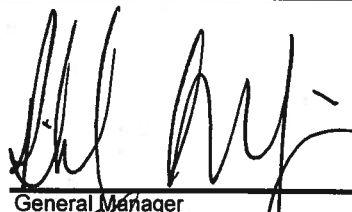
*An SMG Managed Facility*

DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2005

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	198	249	447	376	71
ATTENDANCE	189,386	449,050	638,436	670,425	(31,989)
DIRECT EVENT REVENUE	667,135	1,349,780	2,016,915	1,987,844	29,071
ANCILLARY REVENUE	507,164	783,850	1,291,014	1,092,068	198,946
TOTAL EVENT REVENUE	1,174,299	2,133,630	3,307,929	3,079,912	228,017
TOTAL OTHER REVENUE	57,704	62,475	120,179	167,000	(46,821)
TOTAL OPERATING REVENUE	1,232,003	2,196,105	3,428,108	3,246,912	181,196
INDIRECT EXPENSES					
EXECUTIVE	59,471	68,556	128,027	127,132	(895)
FINANCE	103,569	100,510	204,079	201,022	(3,057)
MARKETING	29,440	30,636	60,076	61,260	1,184
OPERATIONS	393,027	604,451	997,478	1,000,395	2,917
EVENT SERVICES	344,825	530,824	875,649	884,638	8,989
BOX OFFICE	37,554	47,369	84,923	85,107	184
SALES	71,296	67,912	139,208	135,838	(3,370)
OVERHEAD	925,585	1,286,478	2,212,063	2,140,462	(71,601)
TOTAL OPERATING EXP.	1,964,768	2,736,736	4,701,503	4,635,854	(65,649)
NET REVENUE ABOVE EXPENSES	(732,765)	(540,631)	(1,273,395)	(1,388,942)	115,547
CAPITAL					-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(732,765)	(540,631)	(1,273,395)	(1,388,942)	115,547

Comments:

December concludes the 2nd quarter of the fiscal year for DeVos Place. Fiscal performance through the first half came in favorably when compared to the budget. The forecast for the balance of the fiscal year calls for improvement over the original budget, however, is being done so with some caution as there are still unknowns with the public show season and effect of banquet room opening.



General Manager



Finance Director

**DE VOS PLACE  
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, 2005, compared to budget and to the prior year:

<b>MONTH</b>	<b>December Actual</b>	<b>December Budget</b>	<b>December FY 2004</b>
Number of Events	34	31	38
Attendance	48,518	51,800	62,381
Direct Event Income	\$132,295	\$151,106	\$128,366
Ancillary Income	82,506	82,920	178,364
Other Income	14,595	13,917	24,799
Indirect Expenses	(429,330)	(432,362)	(411,206)
Net Income	(\$199,934)	(\$184,419)	(\$79,677)

<b>YTD</b>	<b>YTD 2005 Actual</b>	<b>YTD 2005 Budget</b>	<b>YTD 2004 Prior Year</b>
Number of Events	198	162	125
Attendance	189,386	241,375	144,662
Direct Event Income	\$667,135	\$713,661	\$390,273
Ancillary Income	507,164	358,355	250,870
Other Income	57,704	83,502	53,730
Indirect Expenses	(1,964,768)	(2,151,172)	(1,414,538)
Net Income	(\$732,765)	(\$995,654)	(\$719,665)

**EVENT INCOME**

Event income came in below budget for the month as expected growth on a couple of repeat shows did not occur. Shortage was offset to some degree by some small banquet events held during the month.

**ANCILLARY INCOME**

Ancillary income came in at expected levels as spending on catering, electrical, and equipment rental continues to come in at or above budget on most events.

**INDIRECT EXPENSES**

Indirect expenses came in at budgeted levels for the month.



DE VOS PLACE  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 12/31/04

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	121,010	134,325	122,428	643,648	679,261	360,223
SERVICES INCOME	11,285	16,781	5,938	23,487	34,400	30,050
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	132,295	151,106	128,366	667,135	713,661	390,273
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	36,125	30,540	42,519	175,057	131,010	67,195
NOVELTY	138	1,650	1,950	3,113	6,000	6,784
ELECTRICAL	17,358	23,490	69,112	117,038	108,875	72,142
OTHER ANCILLARY	28,884	27,240	64,783	211,956	112,470	104,749
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	82,506	82,920	178,364	507,164	358,355	250,870
	-----	-----	-----	-----	-----	-----
TOTAL EVENT INCOME	214,801	234,026	306,730	1,174,299	1,072,016	641,143
OTHER OPERATING INCOME	14,595	13,917	24,799	57,704	83,502	53,730
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	229,396	247,943	331,529	1,232,003	1,155,518	694,873
INDIRECT EXPENSES						
EXECUTIVE	10,389	10,596	10,007	59,471	63,576	67,027
FINANCE	15,327	16,752	13,063	103,569	100,512	81,719
MARKETING	5,955	5,104	2,621	29,440	30,624	25,288
OPERATIONS	71,433	85,074	60,774	393,027	499,944	256,016
EVENT MANAGEMENT	64,094	73,470	67,931	344,825	440,820	243,577
BOX OFFICE	6,705	7,093	5,657	37,554	42,558	36,187
SALES	10,319	11,321	9,891	71,296	67,926	81,828
OVERHEAD	245,109	222,952	241,263	925,585	905,212	622,895
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	429,330	432,362	411,206	1,964,768	2,151,172	1,414,538
	-----	-----	-----	-----	-----	-----
NET OPERATING INCOME	<199,934>	<184,419>	<79,677>	<732,765>	<995,654>	<719,665>
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	<48>	0	0	0
	-----	-----	-----	-----	-----	-----
OTHER EXPENSES	0	0	<48>	0	0	0
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	<199,934>	<184,419>	<79,629>	<732,765>	<995,654>	<719,665>
	=====	=====	=====	=====	=====	=====

DE VOS PLACE  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 12/31/04

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	0	1,168	0	16,831
Changeover Setup Billed	1,654	0	630	4,771	0	630
Stagehands Billed	90,996	77,150	114,252	419,863	327,365	346,535
Security Billed	6,720	7,675	8,138	47,808	22,485	20,394
Ushers & Tix Takers Billed	14,184	12,900	16,922	53,650	50,325	48,676
Box Office Billed	1,700	2,100	2,400	7,000	7,300	7,100
Ticketing Service Billed	16,202	15,750	30,094	48,966	47,550	58,551
Utilities Billed	0	0	0	0	0	300
City Police Fire Billed	1,995	0	3,235	13,668	750	7,764
Traffic Control Billed	1,286	1,800	1,703	6,067	1,800	1,897
EMT Medical Billed	2,525	2,900	2,700	10,894	8,044	8,028
Cleaning Billed	24	0	88	1,270	0	163
Insurance Billed	0	0	0	3,285	0	786
Telephone Billed	150	325	1,155	29,770	2,575	6,600
Other Production Billed	7,214	0	771	24,707	0	12,683
<b>TOTAL SERVICE INCOME</b>	<b>144,650</b>	<b>120,600</b>	<b>182,088</b>	<b>672,887</b>	<b>468,194</b>	<b>536,939</b>
Advertising Expense	0	0	0	1,168	0	16,831
Stagehand Wages	82,829	74,836	109,128	384,218	317,544	333,968
Security Wages	0	7,675	0	0	22,485	0
Contracted Security Expense	5,659	0	7,538	44,029	0	20,265
Ushers & T/T Wages	9,929	9,030	11,845	37,555	35,228	33,581
Ticket Sellers Wages	796	450	901	3,877	6,000	3,430
Ticket Service Charge Expense	6,886	5,663	12,194	20,646	18,383	24,987
Ticket Supplies	0	0	0	5,481	0	0
City Police Fire Expense	1,995	0	3,235	13,606	0	7,764
Traffic Control Expense	2,086	2,500	2,763	8,138	2,825	4,508
EMT Medical Expense	2,205	2,900	2,930	9,727	7,894	6,903
Production Materials	0	0	0	0	0	492
Cleaning Wages	0	765	0	0	23,435	14,146
Contracted Cleaning Expense	15,215	0	21,196	75,387	0	21,196
Contracted Exhibit Expense	0	0	3,000	0	0	3,000
Insurance Expense	33	0	0	2,496	0	674
Allocated Telephone Expense	38	0	289	7,556	0	1,650
Production Expense	5,695	0	1,132	35,518	0	13,494
<b>TOTAL SERVICE EXPENSE</b>	<b>133,365</b>	<b>103,819</b>	<b>176,150</b>	<b>649,401</b>	<b>433,794</b>	<b>506,890</b>
<b>NET SERVICE INCOME</b>	<b>11,285</b>	<b>16,781</b>	<b>5,938</b>	<b>23,487</b>	<b>34,400</b>	<b>30,050</b>
	=====	=====	=====	=====	=====	=====

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DE VOS PLACE  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 12/31/04

ASSETS

CURRENT ASSETS

CASH	1,602,564
ACCOUNTS RECEIVABLE	508,347
PREPAID EXPENSES	112,822
	-----
TOTAL CURRENT ASSETS	2,223,733
	-----

FIXED ASSETS

TOTAL ASSETS	2,223,733
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	222,804
ACCRUED EXPENSES	98,699
ADVANCED TIX SALES & DEPOSITS	671,948
	-----
TOTAL CURRENT LIABILITIES	993,451
	-----

EQUITY

FUNDING RECEIVED	726,780
RETAINED EARNINGS	1,236,267
NET INCOME (LOSS)	<732,765>
	-----
TOTAL EQUITY	1,230,282
	-----

TOTAL LIABILITIES & EQUITY	2,223,733
	=====

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DE VOS PLACE  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 12/31/04

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	54,174	80,317	52,422	343,440	481,902	337,954
Part-Time	14,756	62,251	14,295	51,744	373,506	48,800
Wages-Trade	103,063	23,426	142,047	545,106	140,556	473,611
Auto Allowance	1,971	0	1,971	11,525	0	11,825
Auto Expense	150	2,121	150	900	12,726	900
Taxes & Benefits	44,366	43,818	46,384	234,536	262,908	197,008
Less: Allocation/Reimbursement	<111,000>	<79,161>	<138,085>	<528,234>	<474,966>	<480,015>
<b>TOTAL LABOR COSTS</b>	<b>107,479</b>	<b>132,772</b>	<b>119,183</b>	<b>659,017</b>	<b>796,632</b>	<b>590,082</b>
Contracted Security	23,595	19,000	27,424	120,189	114,000	60,801
Contracted Cleaning	228	0	0	334	0	0
Other Contracted Services	0	200	155	688	1,200	619
Travel & Entertainment	2,637	1,626	932	5,150	9,756	6,588
Corporate Travel	0	0	641	<221>	0	2,092
Meetings & Conventions	700	1,958	0	12,343	13,248	6,376
Dues & Subscriptions	42	417	325	2,065	2,502	2,348
Employee Training	0	833	0	7,021	4,998	0
Computer Expense	10,316	5,417	2,394	36,320	32,502	20,235
Professional Fees	2,160	2,625	3,867	18,727	15,750	28,426
Marketing & Advertising	4,125	2,467	1,010	20,211	14,802	33,281
Box Office Expenses	55	0	11	228	0	30
Small Equipment	0	0	0	75	0	0
Trash Removal	1,390	3,000	3,476	7,793	18,000	5,401
Equipment Rental	1,545	500	779	6,278	3,000	4,573
Exterminating	780	500	0	6,173	3,000	1,125
Cleaning	0	3,000	0	0	6,000	0
Construction Costs	0	0	4,406	2,307	0	21,580
Repairs & Maintenance	24,287	21,721	770	103,696	130,326	17,737
Supplies	15,794	19,208	11,242	68,552	115,248	38,328
Bank Service Charges	804	750	843	5,478	4,500	4,220
Insurance	17,668	16,454	13,550	96,728	98,724	53,881
Licenses & Fees	0	0	0	99	0	0
Printing & Stationary	229	1,125	0	857	6,750	1,846
Office Supplies	71	625	1,380	3,232	3,750	4,390
Postage	500	417	18	1,119	2,502	907
Parking Expense	1,136	1,000	2,475	8,312	6,000	12,058
Telephone Long Distance	7,120	6,000	13,120	37,244	36,000	41,875
Utilities	186,772	171,800	184,140	622,120	598,300	341,260
Base Fee	19,935	19,780	19,354	120,190	118,680	116,126
Less: Allocated/Reimbursement	<38>	<833>	<289>	<7,556>	<4,998>	<1,650>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>321,850</b>	<b>299,590</b>	<b>292,023</b>	<b>1,305,751</b>	<b>1,354,540</b>	<b>824,456</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>429,330</b>	<b>432,362</b>	<b>411,206</b>	<b>1,964,768</b>	<b>2,151,172</b>	<b>1,414,538</b>

**SMG - Van Andel Arena & DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2005**

**CAPITAL IMPROVEMENTS**

	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Box Office - Electronic Signage	14,000		14,000	Open
Spotlights	125,000		125,000	Open
Security System Upgrades	39,489		39,489	Open
Speaker System - Main Entrance	15,000	9,406	5,594	Closed
<b>Total Arena</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	
<b>DeVos Place</b>				
<b>Total DeVos Place</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total Capital Improvements</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,325,288	(1,273,395)	51,893	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(322,669)	115,547	(207,122)	243,787

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Base Fee	239,220	239,219	478,439	464,504
Incentive Fee				
Revenue	4,501,466	3,428,108	7,929,574	7,412,186
Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	36,128	181,196	217,324	695,948
Incentive Fee **	-	-	-	139,190
<b>Total SMG Management Fee</b>	<b>239,220</b>	<b>239,219</b>	<b>478,439</b>	<b>603,694</b>

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



# **VAN ANDEL ARENA**

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED DECEMBER 31, 2004**

**Distribution:**

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

**Robert White**

**Glen Mon**

**Bob Johnson**

**Gary McAneney**

**John Szudzik**

**Richard MacKeigan**

**Chris Machuta**



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*An SMG Managed Facility*

VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2005

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	49	65	114	117	(3)
ATTENDANCE	254,903	387,500	642,403	709,200	(66,797)
DIRECT EVENT INCOME	471,065	651,729	1,122,794	1,278,171	(155,377)
ANCILLARY INCOME	568,221	758,612	1,326,833	1,535,524	(208,691)
TOTAL EVENT INCOME	1,039,286	1,410,341	2,449,627	2,813,695	(364,068)
TOTAL OTHER INCOME	1,059,335	992,504	2,051,839	1,985,000	66,839
TOTAL INCOME	2,098,621	2,402,845	4,501,466	4,798,695	(297,229)
INDIRECT EXPENSES					
EXECUTIVE	61,555	54,506	116,061	107,510	(8,551)
FINANCE	92,330	97,557	189,887	193,611	3,724
MARKETING	116,090	115,286	231,376	229,064	(2,312)
OPERATIONS	635,545	547,541	1,183,086	1,192,081	8,995
BOX OFFICE	50,565	53,552	104,117	107,120	3,003
LUXURY SEATING	47,834	56,795	104,629	113,597	8,968
SKYWALK ADMIN	19,411	18,467	37,878	36,941	(937)
OVERHEAD	576,647	632,497	1,209,144	1,303,597	94,453
TOTAL INDIRECT EXP.	1,599,977	1,576,201	3,176,178	3,283,521	107,343
NET REVENUE ABOVE EXPENSES	498,644	826,644	1,325,288	1,515,174	(189,886)
LESS ALLOCATION FOR CAPITAL REPLACEMENT					
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	498,644	826,644	1,325,288	1,515,174	(189,886)

Comments:

December concludes the end of the first half of the fiscal year for the Arena. The Arena performed lower than expected for the period as concerts held during the month performed below expected levels. The forecast included shows the Arena falling below budget for the fiscal year, however, over budget for the final two quarters.

  
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, 2005, compared to budget and to the prior year:

<b>MONTH</b>	<b>December Actual</b>	<b>December Budget</b>	<b>December FY 2004</b>
Number of Events	11	10	10
Attendance	74,845	62,000	71,583
Direct Event Income	\$168,149	\$93,335	\$67,478
Ancillary Income	102,891	138,284	78,419
Other Income	191,610	165,416	159,832
Indirect Expenses	(340,699)	(273,002)	(237,703)
Net Income	<u>\$121,951</u>	<u>\$124,033</u>	<u>\$68,026</u>

<b>YTD</b>	<b>YTD 2005 Actual</b>	<b>YTD 2005 Budget</b>	<b>YTD 2004 Prior Year</b>
Number of Events	49	46	51
Attendance	254,903	288,700	286,223
Direct Event Income	\$471,065	\$654,224	\$547,383
Ancillary Income	568,221	739,700	656,612
Other Income	1,059,335	992,496	1,012,970
Indirect Expenses	(1,599,977)	(1,638,012)	(1,447,060)
Net Income	<u>\$498,644</u>	<u>\$748,408</u>	<u>\$769,905</u>

**EVENT INCOME**

Event income came in higher than budget due to strong ticket sales for the concerts held during the month, as well as, the addition of the second Transiberian Orchestra show.

**ANCILLARY INCOME**

Ancillary income fell below budgeted levels as per caps for concerts hosted during the month fell well below expectations.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget due to higher utilities and some maintenance needed in the kitchen.



VAN ANDEL ARENA  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 12/31/04

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	199,114	131,500	103,716	665,689	821,350	715,285
SERVICES INCOME	<30,965>	<38,165>	<36,239>	<194,624>	<167,126>	<167,902>
TOTAL DIRECT EVENT INCOME	168,149	93,335	67,478	471,065	654,224	547,383
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	91,406	117,704	70,831	473,532	601,594	553,321
NOVELTY	6,650	15,960	2,968	77,403	126,026	89,052
OTHER ANCILLARY	4,835	4,620	4,620	17,285	12,080	14,239
TOTAL ANCILLARY INCOME	102,891	138,284	78,419	568,221	739,700	656,612
TOTAL EVENT INCOME	271,041	231,619	145,897	1,039,285	1,393,924	1,203,995
OTHER OPERATING INCOME	191,610	165,416	159,832	1,059,335	992,496	1,012,970
ADJUSTED GROSS INCOME	462,651	397,035	305,729	2,098,621	2,386,420	2,216,965
INDIRECT EXPENSES						
EXECUTIVE	13,195	8,834	7,610	61,555	53,004	58,592
FINANCE	15,607	16,009	12,709	92,330	96,054	75,476
MARKETING	19,288	18,963	14,466	116,090	113,778	94,594
LUXURY SEATING	11,204	9,467	7,958	47,834	56,802	43,904
OPERATIONS	128,414	99,089	77,425	635,545	594,534	519,272
BOX OFFICE	7,716	8,928	7,212	50,565	53,568	50,872
SKYWALK ADMINISTRATION	3,942	3,079	3,111	19,411	18,474	18,474
OVERHEAD	141,333	108,633	107,211	576,647	651,798	585,876
INDIRECT EXPENSES	340,699	273,002	237,703	1,599,977	1,638,012	1,447,060
NET OPERATING INCOME	121,951	124,033	68,026	498,644	748,408	769,905
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	0	0	49,653
OTHER EXPENSES	0	0	0	0	0	49,653
NET INCOME (LOSS)	121,951	124,033	68,026	498,644	748,408	720,252
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 12/31/04

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	34,465	0	14,755	206,530	0	147,688
Labor Billed	2,430	2,320	1,508	8,888	10,420	8,438
Changeover Setup Billed	16,686	13,000	12,168	54,635	70,650	62,497
Stagehands Billed	48,668	69,200	46,952	218,286	292,600	280,878
Security Billed	22,677	14,950	9,890	82,371	96,550	79,161
Ushers & Tix Takers Billed	16,772	12,850	10,552	54,666	67,300	61,521
Box Office Billed	1,634	800	903	7,672	7,750	5,031
Ticketing Service Billed	11,255	16,000	17,864	75,945	129,650	123,822
Utilities Billed	0	0	0	1,000	0	2,000
City Police Fire Billed	1,456	672	532	5,316	5,940	4,228
EMT Medical Billed	2,106	1,475	1,102	10,074	11,250	7,258
Cleaning Billed	14,815	12,700	8,239	46,235	68,100	54,426
Group Sales Commissions Billed	2,346	0	0	3,216	0	327
Telephone Billed	1,120	2,850	1,660	15,870	17,285	19,020
Damages Billed	0	0	0	0	0	350
Other Production Billed	17,265	58,000	30,974	98,067	122,600	179,075
<b>TOTAL SERVICE INCOME</b>	<b>193,695</b>	<b>204,817</b>	<b>157,098</b>	<b>888,771</b>	<b>900,095</b>	<b>1,035,719</b>
Advertising Expense	36,106	0	15,270	208,702	0	147,850
Labor Wages	2,066	1,972	1,740	7,554	9,316	7,631
Contracted Changeover Setup Expense	30,252	22,918	26,121	108,091	109,077	105,078
Stagehand Wages	45,594	68,300	46,083	213,500	294,860	276,000
Contracted Security Expense	22,110	20,360	15,040	115,998	115,240	115,834
Contracted Ushers & T/T Expense	27,453	24,440	20,950	109,165	112,920	100,851
Ticket Sellers Wages	1,389	0	768	6,521	0	3,947
Ticket Sellers P/R Taxes Bene	0	0	0	0	0	329
Ticket Service Charge Expense	9,231	16,000	14,828	68,993	144,650	108,112
City Police Fire Expense	1,456	672	532	5,236	7,526	4,228
EMT Medical Expense	2,546	2,482	1,591	11,948	15,548	10,806
Contracted Cleaning Expense	27,185	27,145	19,736	109,697	130,580	105,211
Insurance Expense	0	0	0	0	0	12,816
Allocated Telephone Expense	426	693	553	4,731	4,904	6,390
Production Expense	18,846	58,000	30,125	113,257	122,600	198,538
<b>TOTAL SERVICE EXPENSE</b>	<b>224,660</b>	<b>242,982</b>	<b>193,337</b>	<b>1,083,395</b>	<b>1,067,221</b>	<b>1,203,620</b>
<b>NET SERVICE INCOME</b>	<b>&lt;30,965&gt;</b>	<b>&lt;38,165&gt;</b>	<b>&lt;36,239&gt;</b>	<b>&lt;194,624&gt;</b>	<b>&lt;167,126&gt;</b>	<b>&lt;167,902&gt;</b>
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 12/31/04

ASSETS

CURRENT ASSETS

CASH	2,974,670
ACCOUNTS RECEIVABLE	356,694
PREPAID EXPENSES	94,745
	-----
TOTAL CURRENT ASSETS	3,426,109
	-----

FIXED ASSETS

TOTAL ASSETS	3,426,109
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	386,595
ACCRUED EXPENSES	337,530
DEFERRED INCOME	920,754
ADVANCED TIX SALES & DEPOSITS	1,053,193
	-----
TOTAL CURRENT LIABILITIES	2,698,071
	-----

EQUITY

FUNDS REMITTED	<1,450,000>
FUNDING RECEIVED	216,025
RETAINED EARNINGS	1,463,368
NET INCOME (LOSS)	498,644
	-----
TOTAL EQUITY	728,038
	-----

TOTAL LIABILITIES & EQUITY	3,426,109
	=====

## VAN ANDEL ARENA

## INDIRECT EXPENSE SUMMARY

PERIOD ENDING 12/31/04

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	58,889	56,102	46,682	347,640	336,612	297,349
Part-Time	5,769	3,333	5,607	30,074	19,998	23,980
Wages-Trade	72,971	80,733	70,846	395,091	484,398	411,992
Wages-Trade Part-Time	0	0	0	5,219	0	0
Auto Allowance	577	0	577	3,463	0	3,463
Auto Expense	300	985	300	1,800	5,910	1,800
Taxes & Benefits	37,485	34,180	29,828	203,042	205,080	175,252
Less: Allocation/Reimbursement	<64,536>	<70,716>	<62,333>	<323,938>	<424,296>	<366,436>
<b>TOTAL LABOR COSTS</b>	<b>111,455</b>	<b>104,617</b>	<b>91,506</b>	<b>662,390</b>	<b>627,702</b>	<b>547,398</b>
Contracted Security	15,589	19,000	19,400	111,111	114,000	127,015
Contracted Cleaning	2,098	2,292	1,711	14,591	13,752	18,922
Other Contracted Services	0	300	314	2,190	1,800	1,884
Travel & Entertainment	372	558	246	2,685	3,348	4,160
Corporate Travel	0	625	0	0	3,750	0
Meetings & Conventions	428	350	0	4,574	2,100	1,071
Dues & Subscriptions	4,700	208	0	6,893	1,248	2,601
Employee Training	0	750	0	200	4,500	100
Computer Expense	12,747	5,417	2,419	37,395	32,502	25,679
Professional Fees	1,875	2,375	1,875	12,656	14,250	16,862
Marketing & Advertising	5,786	7,500	4,809	27,122	45,000	31,479
Box Office Expenses	<51>	0	46	174	0	<559>
Small Equipment	0	0	2,594	409	0	2,594
Trash Removal	981	1,250	711	7,445	7,500	6,746
Equipment Rental	1,375	1,300	904	7,078	7,800	6,896
Landscaping	0	292	0	0	1,752	0
Exterminating	248	333	248	1,485	1,998	1,485
Cleaning	4,050	900	0	4,050	5,400	9,083
Repairs & Maintenance	26,747	9,333	2,093	82,062	55,998	41,818
Supplies	20,563	12,841	2,892	74,955	77,046	41,757
Bank Service Charges	641	1,000	600	3,853	6,000	4,678
Insurance	15,230	13,269	10,067	68,349	79,614	58,589
Printing & Stationary	0	1,750	0	687	10,500	0
Office Supplies	153	1,000	0	6,471	6,000	4,000
Postage	1,359	1,000	147	5,299	6,000	4,445
Parking Expense	0	1,500	1,906	12,843	9,000	13,708
Telephone Long Distance	6,377	3,000	4,641	35,127	18,000	28,680
Utilities	91,964	63,567	72,533	310,797	381,402	351,318
Base Fee	19,935	19,780	19,354	119,029	118,680	116,126
Common Area Expense	<3,496>	<2,730>	<2,759>	<17,213>	<16,380>	<14,486>
Less: Allocated/Reimbursement	<426>	<375>	<553>	<4,731>	<2,250>	<6,992>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>229,244</b>	<b>168,385</b>	<b>146,197</b>	<b>937,586</b>	<b>1,010,310</b>	<b>899,662</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>340,699</b>	<b>273,002</b>	<b>237,703</b>	<b>1,599,977</b>	<b>1,638,012</b>	<b>1,447,060</b>

**SMG - Van Andel Arena & DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2005**

<b>CAPITAL IMPROVEMENTS</b>				
	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Box Office - Electronic Signage	14,000		14,000	Open
Spotlights	125,000		125,000	Open
Security System Upgrades	39,489		39,489	Open
Speaker System - Main Entrance	15,000	9,406	5,594	Closed
<b>Total Arena</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	
<b>DeVos Place</b>				
<b>Total DeVos Place</b>	-	-	-	
<b>Grand Total Capital Improvements</b>	<b>193,489</b>	<b>9,406</b>	<b>184,083</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,325,288	(1,273,395)	51,893	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(322,669)	115,547	(207,122)	243,787

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Base Fee	239,220	239,219	478,439	464,504
<b>Incentive Fee</b>				
Revenue	4,501,466	3,428,108	7,929,574	7,412,186
Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	36,128	181,196	217,324	695,948
Incentive Fee **	-	-	-	139,190
<b>Total SMG Management Fee</b>	<b>239,220</b>	<b>239,219</b>	<b>478,439</b>	<b>603,694</b>

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

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## Grand Rapids-Kent County Convention/Arena Authority

## Balance Sheet

As of November 30, 2004

12/09/04

Accrual Basis

	<u>Nov 30, 04</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1020 • Cash - Construction - Max Saver	19,197,847.07
1030 • Cash - Construction	3,219,121.41
1050 • Operations - Cash	3,257,312.00
9991 • Cash - Retainage	2,875,356.82
<b>Total Checking/Savings</b>	<u>28,349,637.30</u>
<b>Total Current Assets</b>	28,349,637.30
<b>Fixed Assets</b>	
<b>Vehicles</b>	<u>23,470.00</u>
<b>Total Fixed Assets</b>	<u>23,470.00</u>
<b>TOTAL ASSETS</b>	<u><b>28,373,107.30</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 • Accounts Payable	1,941,736.43
<b>Total Accounts Payable</b>	<u>1,941,736.43</u>
<b>Other Current Liabilities</b>	
9992 • Retainage Payable	2,491,379.82
<b>Total Other Current Liabilities</b>	<u>2,491,379.82</u>
<b>Total Current Liabilities</b>	<u>4,433,116.25</u>
<b>Total Liabilities</b>	4,433,116.25
<b>Equity</b>	
3000 • Opening Bal Equity	37,652,992.39
Net Income	<u>-13,713,001.34</u>
<b>Total Equity</b>	<u>23,939,991.05</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>28,373,107.30</b></u>

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**Grand Rapids-Kent County Convention/Arena Authority**  
**Reconciliation Detail**  
**1020 - Cash - Construction - Max Saver, Period Ending 11/30/2004**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
<b>Beginning Balance</b>						19,167,919.24
<b>Cleared Transactions</b>						
<b>Deposits and Credits - 1 item</b>						
Deposit	11/30/2004			X	29,927.83	29,927.83
<b>Total Deposits and Credits</b>					29,927.83	29,927.83
<b>Total Cleared Transactions</b>					29,927.83	29,927.83
<b>Cleared Balance</b>					29,927.83	19,197,847.07
<b>Register Balance as of 11/30/2004</b>					29,927.83	19,197,847.07
<b>Ending Balance</b>					<u>29,927.83</u>	<u>19,197,847.07</u>

# Grand Rapids-Kent County Convention/Arena Authority Reconciliation Detail

1030 - Cash - Construction, Period Ending 11/30/2004

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						5,547,115.58
<b>Cleared Transactions</b>						
<b>Checks and Payments - 13 items</b>						
Bill Pmt -Check	10/28/2004	2010	Progressive AE	X	-43,169.78	-43,169.78
Bill Pmt -Check	10/28/2004	2009	Nextel Communicati...	X	-124.94	-43,294.72
Bill Pmt -Check	10/28/2004	2011	Robert Duff Consulti...	X	-3,277.50	-46,572.22
Bill Pmt -Check	11/15/2004	2013	Dale H. Sommers	X	-11,360.00	-57,932.22
Bill Pmt -Check	11/15/2004	2014	Erhardt-Hunt/Joint V...	X	-2,177,341.00	-2,235,273.22
Bill Pmt -Check	11/15/2004	2015	Global Computer Su...	X	-3,304.56	-2,238,577.78
Bill Pmt -Check	11/15/2004	2012	Century Flooring	X	-4,238.60	-2,242,816.38
Bill Pmt -Check	11/15/2004	2017	J.P. Gray Consulting...	X	-7,220.00	-2,250,036.38
Bill Pmt -Check	11/15/2004	2018	Jerry G Fellingner	X	-1,100.00	-2,251,136.38
Bill Pmt -Check	11/15/2004	2019	Midstate Security	X	-5,382.00	-2,256,518.38
Bill Pmt -Check	11/15/2004	2020	The Bourma Corporat...	X	-560.00	-2,257,078.38
Bill Pmt -Check	11/15/2004	2016	GR-KC C/AA Retain...	X	-19,012.00	-2,276,090.38
Bill Pmt -Check	11/29/2004	2025	Progressive AE	X	-35,012.55	-2,311,102.93
<b>Total Checks and Payments</b>					-2,311,102.93	-2,311,102.93
<b>Deposits and Credits - 1 item</b>						
Deposit	11/30/2004			X	7,734.24	7,734.24
<b>Total Deposits and Credits</b>					7,734.24	7,734.24
<b>Total Cleared Transactions</b>					-2,303,368.69	-2,303,368.69
<b>Cleared Balance</b>					-2,303,368.69	3,243,746.89
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 4 items</b>						
Bill Pmt -Check	11/29/2004	2024	Premovation Audio &...		-13,977.83	-13,977.83
Bill Pmt -Check	11/29/2004	2022	Materials Testing Co...		-7,338.08	-21,315.91
Bill Pmt -Check	11/29/2004	2021	Global Computer Su...		-3,286.34	-24,602.25
Bill Pmt -Check	11/29/2004	2023	Nextel Communicati...		-23.23	-24,625.48
<b>Total Checks and Payments</b>					-24,625.48	-24,625.48
<b>Total Uncleared Transactions</b>					-24,625.48	-24,625.48
<b>Register Balance as of 11/30/2004</b>					-2,327,994.17	3,219,121.41
<b>New Transactions</b>						
<b>Checks and Payments - 9 items</b>						
Bill Pmt -Check	12/14/2004	2026	Custer Office Enviro...		-15,172.50	-15,172.50
Bill Pmt -Check	12/14/2004	2027	Dale H. Sommers		-11,560.00	-26,732.50
Bill Pmt -Check	12/14/2004	2028	Erhardt-Hunt/Joint V...		-1,540,437.00	-1,567,169.50
Bill Pmt -Check	12/14/2004	2029	GR-KC C/AA Retain...		-38,830.00	-1,605,999.50
Bill Pmt -Check	12/14/2004	2031	J.P. Gray Consulting...		-9,642.50	-1,615,642.00
Bill Pmt -Check	12/14/2004	2032	Jerry G Fellingner		-1,200.00	-1,616,842.00
Bill Pmt -Check	12/14/2004	2033	Midstate Security		-18,000.00	-1,634,842.00
Bill Pmt -Check	12/14/2004	2034	SMG - Philadelphia		-9.31	-1,634,851.31
Bill Pmt -Check	12/14/2004	2030	ISG		-2,800.00	-1,637,651.31
<b>Total Checks and Payments</b>					-1,637,651.31	-1,637,651.31
<b>Deposits and Credits - 1 item</b>						
Deposit	12/2/2004				705,776.80	705,776.80
<b>Total Deposits and Credits</b>					705,776.80	705,776.80
<b>Total New Transactions</b>					-931,874.51	-931,874.51
<b>Ending Balance</b>					-3,259,868.68	2,287,246.90



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**Grand Rapids-Kent County Convention/Arena Authority**  
**Reconciliation Detail**  
**1050 - Operations - Cash, Period Ending 11/30/2004**

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						3,193,682.22
<b>Cleared Transactions</b>						
<b>Checks and Payments - 24 items</b>						
Check	10/14/2004	6005	Office Depot	X	-861.39	-861.39
Bill Pmt -Check	10/27/2004	6009	Consumers Energy	X	-64,116.62	-64,978.01
Bill Pmt -Check	10/28/2004	6014	McBee Systems, Inc.	X	-267.20	-65,245.21
Bill Pmt -Check	10/28/2004	6011	Grand Rapids City T...	X	-6,025.07	-71,270.28
Bill Pmt -Check	10/28/2004	6013	ICMA Retirement Co...	X	-50.00	-71,320.28
Bill Pmt -Check	10/28/2004	6016	Priority Health	X	-398.73	-71,719.01
Bill Pmt -Check	10/28/2004	6017	Susan Waddell	X	-33.99	-71,753.00
Bill Pmt -Check	10/28/2004	6015	McConomy Propertie...	X	-2,750.00	-74,503.00
Bill Pmt -Check	10/28/2004	6012	ICMA Retirement Co...	X	-250.92	-74,753.92
Bill Pmt -Check	10/28/2004	6010	Dickinson Wright PL...	X	-1,421.34	-76,175.26
Bill Pmt -Check	11/15/2004	6027	Rick L. Van Sweden ...	X	-86.00	-76,261.26
Bill Pmt -Check	11/15/2004	6026	Rapid Hot Coffee Se...	X	-19.20	-76,280.46
Bill Pmt -Check	11/15/2004	6025	Kent Count Dept of ...	X	-48,346.80	-124,627.26
Bill Pmt -Check	11/15/2004	6024	ICMA Retirement Co...	X	-100.00	-124,727.26
Bill Pmt -Check	11/15/2004	6022	Grand Rapids City T...	X	-16,363.29	-141,090.55
Bill Pmt -Check	11/15/2004	6021	Dickinson Wright PL...	X	-643.50	-141,734.05
Bill Pmt -Check	11/15/2004	6020	CPR	X	-170.00	-141,904.05
Bill Pmt -Check	11/15/2004	6018	Beene Garter LLP	X	-717.00	-142,621.05
Bill Pmt -Check	11/15/2004	6019	Consumers Energy	X	-30,829.20	-173,450.25
Bill Pmt -Check	11/15/2004	6023	ICMA Retirement Co...	X	-501.84	-173,952.09
Check	11/24/2004	10090	Susan M. Waddell	X	-757.20	-174,709.29
Check	11/24/2004	10090	Susan M. Waddell	X	-1,381.03	-176,090.32
Check	11/30/2004	10089	Susan M. Waddell	X	-1,374.15	-177,464.47
Check	11/30/2004	10089	Susan M. Waddell	X	-897.62	-178,362.09
<b>Total Checks and Payments</b>					-178,362.09	-178,362.09
<b>Deposits and Credits - 4 items</b>						
Deposit	11/1/2004			X	5,758.00	5,758.00
Deposit	11/22/2004			X	300,000.00	305,758.00
Deposit	11/29/2004			X	9,018.00	314,776.00
Deposit	11/30/2004			X	4,987.61	319,763.61
<b>Total Deposits and Credits</b>					319,763.61	319,763.61
<b>Total Cleared Transactions</b>					141,401.52	141,401.52
<b>Cleared Balance</b>					141,401.52	3,335,083.74
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 8 items</b>						
Bill Pmt -Check	11/29/2004	6035	EDS		-1,086.19	-1,086.19
Bill Pmt -Check	11/29/2004	6034	Priority Health		-398.73	-1,484.92
Bill Pmt -Check	11/29/2004	6033	McConomy Propertie...		-6,737.50	-8,222.42
Bill Pmt -Check	11/29/2004	6032	ICMA Retirement Co...		-50.00	-8,272.42
Bill Pmt -Check	11/29/2004	6031	ICMA Retirement Co...		-250.92	-8,523.34
Bill Pmt -Check	11/29/2004	6030	Grand Rapids City T...		-5,032.19	-13,555.53
Bill Pmt -Check	11/29/2004	6028	Consumers Energy		-61,664.30	-75,219.83
Bill Pmt -Check	11/29/2004	6029	Dickinson Wright PL...		-2,551.91	-77,771.74
<b>Total Checks and Payments</b>					-77,771.74	-77,771.74
<b>Total Uncleared Transactions</b>					-77,771.74	-77,771.74
<b>Register Balance as of 11/30/2004</b>					63,629.78	3,257,312.00

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12/09/04

**Grand Rapids-Kent County Convention/Arena Authority**  
**Reconciliation Detail**  
**1050 - Operations - Cash, Period Ending 11/30/2004**

Type	Date	Num	Name	Clr	Amount	Balance
<b>New Transactions</b>						
<b>Checks and Payments - 12 items</b>						
Bill Pmt -Check	12/14/2004	6036	Central Interconnect,...		-9,406.00	-9,406.00
Bill Pmt -Check	12/14/2004	6037	Consumers Energy		-36,693.14	-46,099.14
Bill Pmt -Check	12/14/2004	6038	Dickinson Wright PL...		-807.88	-46,907.02
Bill Pmt -Check	12/14/2004	6039	DTE Energy		-1,180.05	-48,087.07
Bill Pmt -Check	12/14/2004	6040	Grand Rapids City T...		-653.74	-48,740.81
Bill Pmt -Check	12/14/2004	6041	Grand Rapids City T...		-3,041.64	-51,782.45
Bill Pmt -Check	12/14/2004	6042	ICMA Retirement Co...		-250.92	-52,033.37
Bill Pmt -Check	12/14/2004	6043	ICMA Retirement Co...		-50.00	-52,083.37
Bill Pmt -Check	12/14/2004	6044	Kent Count Dept of ...		-93,336.78	-145,420.15
Bill Pmt -Check	12/14/2004	6045	Office Depot		-176.17	-145,596.32
Bill Pmt -Check	12/14/2004	6046	PM Engraving Comp...		-51.65	-145,647.97
Bill Pmt -Check	12/14/2004	6047	Rapid Hot Coffee Se...		-27.68	-145,675.65
Total Checks and Payments					-145,675.65	-145,675.65
Total New Transactions					-145,675.65	-145,675.65
Ending Balance					<b>-82,045.87</b>	<b>3,111,636.36</b>

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## Grand Rapids-Kent County Convention/Arena Authority

## Reconciliation Detail

9991 - Cash - Retainage, Period Ending 11/30/2004

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						2,695,646.77
<b>Cleared Transactions</b>						
<b>Checks and Payments - 1 item</b>						
Bill Pmt -Check	11/15/2004	1200	Erhardt-Hunt/Joint V...	X	-43,504.00	-43,504.00
<b>Total Checks and Payments</b>					-43,504.00	-43,504.00
<b>Deposits and Credits - 2 items</b>						
Deposit	11/17/2004			X	19,012.00	19,012.00
Deposit	11/30/2004			X	4,202.05	23,214.05
<b>Total Deposits and Credits</b>					23,214.05	23,214.05
<b>Total Cleared Transactions</b>					-20,289.95	-20,289.95
<b>Cleared Balance</b>					-20,289.95	2,675,356.82
<b>Register Balance as of 11/30/2004</b>					-20,289.95	2,675,356.82
<b>New Transactions</b>						
<b>Checks and Payments - 1 item</b>						
Bill Pmt -Check	12/14/2004	1201	Erhardt-Hunt/Joint V...		-183,977.00	-183,977.00
<b>Total Checks and Payments</b>					-183,977.00	-183,977.00
<b>Total New Transactions</b>					-183,977.00	-183,977.00
<b>Ending Balance</b>					-204,266.95	2,491,379.82

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12/09/04

Accrual Basis

**Grand Rapids-Kent County Convention/Arena Authority**  
**Profit & Loss**  
**July through November 2004**

	<u>Jul - Nov 04</u>
<b>Income</b>	
4030 • Federal Support	2,823,107.20
4040 • Private Support	2,204,000.00
4500 • Interest on Investments	191,285.40
4630 • Facility Operations	1,450,000.00
4640 • Land Lease	35,795.00
4645 • Parking Revenues	136,542.00
<b>Total Income</b>	<u>6,840,729.60</u>
<b>Expense</b>	
5000 • Architectural and Engineering	4,057,855.06
5010 • Construction Material Testing	53,979.05
5020 • Construction in Progress-GMP	14,304,445.00
6000 • Professional Services	47,125.92
6050 • Project Mgt/Owner's Rep	102,595.00
6060 • Other Contractual Services	1,113,081.84
6085 • Pedestrian Safety	14,218.71
6070 • Facility Management Fees	139,190.00
6100 • Other Supplies & Expenses	15,872.05
6300 • Utilities Expense	674,475.26
8000 • Personal Services	30,893.05
<b>Total Expense</b>	<u>20,553,730.94</u>
<b>Net Income</b>	<u><u>-13,713,001.34</u></u>

**Grand Rapids-Kent County Convention/Arena Authority**  
**Profit & Loss by Fund**  
**July through November 2004**

	<b>Convention Center (Construction)</b>	<b>Admin &amp; Capital Replacement (Operations)</b>	<b>TOTAL</b>
<b>Income</b>			
4030 - Federal Support	2,823,107.20	0.00	2,823,107.20
4040 - Private Support	2,204,000.00	0.00	2,204,000.00
4500 - Interest on Investments	177,967.09	13,318.31	191,285.40
4530 - Facility Operations	0.00	1,450,000.00	1,450,000.00
4540 - Land Lease	0.00	35,795.00	35,795.00
4545 - Parking Revenues	0.00	136,542.00	136,542.00
<b>Total Income</b>	<b>5,205,074.29</b>	<b>1,635,655.31</b>	<b>6,840,729.60</b>
<b>Expense</b>			
6000 - Architectural and Engineering	4,057,855.06	0.00	4,057,855.06
6010 - Construction Material Testing	53,979.05	0.00	53,979.05
6020 - Construction in Progress-GMP	14,304,445.00	0.00	14,304,445.00
6000 - Professional Services	350.00	46,775.92	47,125.92
6050 - Project Mgt/Owner's Rep	102,595.00	0.00	102,595.00
6060 - Other Contractual Services	1,092,250.36	20,831.48	1,113,081.84
6065 - Pedestrian Safety	0.00	14,218.71	14,218.71
6070 - Facility Management Fees	0.00	139,190.00	139,190.00
6100 - Other Supplies & Expenses	4,238.60	11,633.45	15,872.05
6300 - Utilities Expense	28,369.32	646,105.94	674,475.26
8000 - Personal Services	0.00	30,893.05	30,893.05
<b>Total Expense</b>	<b>19,644,082.39</b>	<b>909,648.55</b>	<b>20,553,730.94</b>
<b>Net Income</b>	<b>-14,439,008.10</b>	<b>726,006.76</b>	<b>-13,713,001.34</b>

# Grand Rapids-Kent County Convention/Arena Authority

## Profit & Loss Budget vs. Actual

July through November 2004

	Admin & Capital Replacement (Operations)			
	Jul - Nov 04	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
4030 • Federal Support	0.00			
4040 • Private Support	0.00			
4500 • Interest on Investments	13,318.31	9,165.00	4,153.31	145.32%
4630 • Facility Operations	1,450,000.00	1,004,035.00	445,965.00	144.42%
4640 • Land Lease	35,795.00	51,250.00	-15,455.00	69.84%
4645 • Parking Revenues	136,542.00	269,375.00	-132,833.00	50.69%
4650 • Miscellaneous Revenue	0.00	6,250.00	-6,250.00	0.0%
<b>Total Income</b>	<b>1,635,655.31</b>	<b>1,340,075.00</b>	<b>295,580.31</b>	<b>122.06%</b>
<b>Expense</b>				
5000 • Architectural and Engineering	0.00			
5010 • Construction Material Testing	0.00			
5020 • Construction in Progress-GMP	0.00			
6000 • Professional Services				
6001 • Accounting/Auditing Services	38,535.44	25,835.00	12,700.44	149.16%
6040 • Legal Services	8,240.48	16,665.00	-8,424.52	49.45%
<b>Total 6000 • Professional Services</b>	<b>46,775.92</b>	<b>42,500.00</b>	<b>4,275.92</b>	<b>110.06%</b>
6050 • Project Mgt/Owner's Rep	0.00			
6060 • Other Contractual Services	20,831.48			
6065 • Pedestrian Safety	14,218.71	35,835.00	-21,616.29	39.68%
6068 • Parking Management	0.00	107,090.00	-107,090.00	0.0%
6070 • Facility Management Fees	139,190.00			
6100 • Other Supplies & Expenses				
6020 • Computer Services	349.00			
6030 • Insurance-Property/Liability	9,561.74	4,565.00	4,996.74	209.46%
6110 • Meeting Expense	163.91	335.00	-171.09	48.93%
6120 • Supplies	1,388.80	460.00	928.80	301.91%
6130 • Postage/Express	170.00			
<b>Total 6100 • Other Supplies &amp; Expenses</b>	<b>11,633.45</b>	<b>5,360.00</b>	<b>6,273.45</b>	<b>217.04%</b>
6200 • Capital Replacement Projects	0.00	80,620.00	-80,620.00	0.0%
6300 • Utilities Expense				
6301 • Electricity	434,568.24	449,165.00	-14,596.76	96.75%
6310 • Natural Gas	4,933.98	31,250.00	-26,316.02	15.79%
6320 • Steam	158,965.78	415,435.00	-256,469.22	38.27%
6330 • Telephone	0.00			
6340 • Water & Sewer	47,637.94	55,585.00	-7,947.06	85.7%
<b>Total 6300 • Utilities Expense</b>	<b>646,105.94</b>	<b>951,435.00</b>	<b>-305,329.06</b>	<b>67.91%</b>
8000 • Personal Services				
8001 • Employee Wages	23,091.00	22,640.00	451.00	101.99%
8030 • Employee Benefits	7,802.05	7,890.00	-87.95	98.89%
<b>Total 8000 • Personal Services</b>	<b>30,893.05</b>	<b>30,530.00</b>	<b>363.05</b>	<b>101.19%</b>
<b>Total Expense</b>	<b>909,648.55</b>	<b>1,253,370.00</b>	<b>-343,721.45</b>	<b>72.58%</b>
<b>Net Income</b>	<b>726,006.76</b>	<b>86,705.00</b>	<b>639,301.76</b>	<b>837.33%</b>



**FISCAL SERVICES DEPARTMENT  
MEMORANDUM**

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

**FROM:** Robert White *RW*  
Fiscal Services Director

**SUBJECT:** Convention/Arena Authority  
DeVos Place Capital Improvement Project Budget Update"

**DATE:** November 15, 2004

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The Capital Improvement Project Budget Update was last presented to the Finance Committee on April 15, 2004. That report was accepted and recommended to the Board for approval. Review and approval by the full board was given on April 28, 2004.

CAA's Owner Representative (Dale Sommers) has recently provided an updated status on the potential closeout balances for several phases of the project. Phase II (Exhibit Hall) anticipated savings, to be taken in the form of a reduction in the "guaranteed maximum price", is expected to report a balance of \$4,546,924.

In addition to recognizing this anticipated reduction in the Construction Manager - GMP line item, the Authority "Sources of Funds" statement is showing several other minor increases in previously anticipated project funding resources totaling \$106,126. Given the overall status of the project, staff has included a reduction of \$3 million in the previously budgeted "C/AA Operating Reserve Transfers" account. This reduction, in construction financing, will serve to bolster the Operating/Capital Replacement Reserve balances of the Convention/Arena Authority.

After giving recognition to the adjustments noted above, the contingent account will be increased by \$1.6 million, thereafter establishing a revised contingent balance slightly in excess of \$2.8 million. It can be anticipated that, if this balance remains at project closeout, the Capital Replacement Reserve may be considered to be supplemented by this potential available balance. I would recommend adoption of the revised budget as documented in the attached Sources and Uses of Funds Statement.

Cc Daryl Delabbio  
Jana Wallace  
Dale Sommers

**Grand Rapids/Kent County Convention Arena Authority**  
**DeVos Place Capital Improvement Project**  
**Sources of Funds Statement**  
**November 3, 2004**

	<u>Approved</u>	<u>Amendments</u>	<u>As Revised</u>	<u>Receipts</u> <u>At</u> <u>9/30/2004</u>
<b>Kent County</b>				
Bond Proceeds - Series 2001	\$ 86,021,595	\$ -	\$ 86,021,595	\$ 86,021,595
Interest	1,369,094	-	1,369,094	1,369,094
Bond Proceeds - Series 2003	5,000,000	-	5,000,000	5,000,000
In Kind	999,873	-	999,873	999,873
State Grant	65,000,000	-	65,000,000	65,000,000
<b>Grand Action</b>				
Cash - DeVos Place	31,338,961	-	31,338,961	31,338,961
Cash - DeVos Performance Hall	4,125,353	5,000	4,130,353	4,130,353
In Kind - Preliminary Design	1,225,686	-	1,225,686	1,225,686
F F & E (Steelcase)	710,000	-	710,000	710,000
<b>C/AA Operating Reserve Transfers</b>	3,000,000	(3,000,000)	-	3,000,000
<b>DDA</b>				
Cash	5,000,000	-	5,000,000	5,000,000
Bond Proceeds - Series 2003	5,000,000	-	5,000,000	5,000,000
<b>Interest</b>				
Construction Account	2,582,530	23,871 <sup>(1)</sup>	2,606,401	2,606,401
<b>Other</b>	435,795	12,423	448,218	448,218
<b>City Reimbursements (Grant)</b>	3,528,884	64,832	3,593,716	2,823,107
<b>Total</b>	<u>\$ 215,337,771</u>	<u>\$ (2,893,874)</u>	<u>\$ 212,443,897</u>	<u>\$ 214,673,288</u>

Notes:

<sup>(1)</sup> Interest earnings reported through September 30, 2004.



**Grand Rapids/Kent County Convention Arena Authority**  
**DeVos Place Capital Improvement Project**  
**Uses of Funds Statement**  
**November 3, 2004**

	<u>Approved</u>	<u>Amendments</u>	<u>As Revised</u>	<u>Disbursements</u> <u>At</u> <u>9/30/2004</u>
<b>Construction Manager</b>				
GMP	\$ 171,899,535	\$ (4,546,924)	\$ 167,352,611	\$ 149,615,188
<b>Other Projects</b>				
A & E Fees/Expenses Ft Eng/AE Project Rep	18,785,000	-	18,785,000	-
Furniture/Fixtures/Food Svc./Kitchen Equip - Cash	4,325,000	-	4,325,000	-
Furniture/Fixtures/Food Svc./Kitchen Equip - In Kind	710,000	-	710,000	-
Phone/Data/Security/CCVT/Theater Rigging	3,128,849	-	3,128,849	-
Soils/Asbestos Removal	2,341,515	-	2,341,515	-
Consultants-Security/Phone/Kitchen/Signage	782,000	-	782,000	-
Materials/Soils/Environmental Testing	1,951,406	-	1,951,406	-
Monroe Right of Way	944,000	-	944,000	-
Printing/Legal/Accounting/Leasing	295,303	-	295,303	-
Builders Risk Insurance/Choice One	547,000	-	547,000	-
De Vos Performance Hall - FF & E	1,943,685	-	1,943,685	-
Refund to CVB	65,000	-	65,000	-
	<u>35,818,758</u>	<u>-</u>	<u>35,818,758</u>	<u>29,943,650</u>
<b>Monroe Relocation</b>				
Monroe Avenue Relocation/Sewer	6,461,963	-	6,461,963	6,461,963
<b>Contingencies</b>				
	<u>1,157,515</u>	<u>1,653,050</u>	<u>2,810,565</u>	<u>-</u>
<b>Total</b>	<u>\$ 215,337,771</u>	<u>\$ (2,893,874)</u>	<u>\$ 212,443,897</u>	<u>\$ 186,020,801</u>

**VAN ANDEL ARENA® WEEKLY**  
(Revised)

**Item IX**

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Wed, Jan 12	DP Fox	MW	Banquet C	10:00 AM 12P-3P	Set-up Griffins meeting
Thur, Jan 13	Available				
Fri, Jan 14	Griffins vs St. John's	AH	Arena	10A-12:30P 6:30 PM 7:30P-10P 10P-10:30P	Teams practice Doors Hockey game Post-game autographs
	Griffins	MW	Banquet B	12:00 PM 6:30P-8P	Set-up Souvenir redemption area
	Michigan State Police	MW	Banquet A	10:00 AM	Set-up
Sat, Jan 15	Griffins vs Milwaukee	CL	Arena	10A-12P 12:30 PM 1P-2:30P 3:00 PM 3:30P-5P 6:30 PM 7:30P-10P 10P-10:30P	Teams practice Doors MI State Police v Detroit Red Wings Alumni Doors Calder Communications v Driesenga Doors Hockey game Post-game skate
	Griffins	MW	Banquet B	12:00 PM 6:30P-7:30P	Set-up Souvenir redemption area
	Michigan State Police	MW	Banquet A	4:30P-7:30P	Banquet
Sun, Jan 16	Rampage	AH	Arena	1:00 PM	Football scrimmage
Mon, Jan 17	<b>SMG Holiday – MLK Day</b>				
Tue, Jan 18	Available				
Wed, Jan 19	Available				
Thur, Jan 20	Available				
Fri, Jan 21	Griffins vs Chicago	AH	Arena	10A-12:30P 6:30 PM 7:30P-10P	Teams practice Doors Hockey game
Sat, Jan 22	Available				
Sun, Jan 23	Available				
Mon, Jan 24	Available				
Tue, Jan 25	Available				
Wed, Jan 26	Available				
Thur, Jan 27	Grand Rapids Rotary Club	MW	Banquet A/B	12P-1:30P	Luncheon
Fri, Jan 28	Rampage	CL			
Sat, Jan 29	Griffins vs Milwaukee	AH	Arena	10A-12P 12:30 PM 1P-2:30P 3:00 PM 3:30P-5P 6:30 PM 7:30P-10P 10P-10:30P	Teams practice Doors Kenowa Hills v E. Grand Rapids JV Doors Kalamazoo United vs Jenison H.S. hockey Doors Hockey game Post-game skate
Sun, Jan 30	Harlem Globetrotters	CL	Arena	1:00 PM 2:00 PM	Doors Performance
Mon, Jan 31	Pepsi Jam at the Van	CL	Arena	5:00 PM 6:15 PM 8:00 PM	Doors W. Catholic vs Catholic Central b-ball game South Christian vs Byron Center b-ball game
Tue, Feb 1	Available				
Wed, Feb 2	Available				
Thur, Feb 3	Available				
Fri, Feb 4	Monster Trucks	CL	Arena	7:00 PM 8:00 PM	Doors Performance

Sat, Feb 5	Monster Trucks	CL	Arena	1:00 PM 2:00 PM 7:00 PM 8:00 PM	Doors Performance Doors Performance
Sun, Feb 6	Monster Trucks	CL	Arena	1:00 PM 2:00 PM	Doors Performance
Mon, Feb 7	Available				
Tue, Feb 8	Available				
Wed, Feb 9	Griffins vs Houston	AH	Arena	10A-12:30P 6:00 PM 7P-9:30P	Teams practice Doors Hockey game
Thur, Feb 10	Available				
Fri, Feb 11	Griffins vs Utah	CL	Arena	10A-12:30P 6:30 PM 7:30P-10P	Teams practice Doors Hockey game
Sat, Feb 12	Stars on Ice	AH	Arena	7:30 PM	Performance
Sun, Feb 13	Lipizzaner Stallions	CL	Arena	1:00 PM 2:00 PM 5:00 PM 6:00 PM	Doors Performance Doors Performance

## WEEKLY - YEAR 2004

EH A-C = Exhibit Halls A-C  
DV = DeVos Performance Hall

G A-F = Grand Gallery Meeting Rooms A-F  
O A-H = Overlook Meeting Rooms A-H  
GG = Grand Gallery Area

# DEVOSPLACE

## WEEKLY - YEAR 2004

SAT. JAN 22	GRAND RAPIDS BRIDAL SHOW	EH A	1:30A	"SKYWAY" GUESTS DEPART LOCK E & W GG DOORS ELEVATOR "PARK TO STREET" GATES DOWN ESCALATORS OFF	MJ	Estimated Attendance: 4000
			9:45A	CLIENT ARRIVES UNLOCK EHA RESTROOMS LOADING DOCK DROP OFFS EXHIBITORS ALLOWED IN EHA		
			10A	UNLOCK E & W GG DOORS UNLOCK GG RESTROOMS SKYWAY GATE OPEN ESCALATORS TO GG ON DOORS		
			11A	FASHION SHOW LOAD-OUT LOCK E & W GG DOORS ESCALATORS OFF SKYWAY GATES DOWN		
			11:30A/12P 2P-3P 4P/5P 5:30P	OUTSIDE DOORS OPEN LOBBY OPEN SEATING OPEN PERFORMANCE SMG INSTALLS ELECTRIC & PHONES SHOW OFFICE MOVE IN	AK	Box Office Count: (as of 1-18)
SUN. JAN 23	GRSO - POPS IV	DV	6:30PM 7P 7:30PM 8P-10PM	ART CRAFT INSTALLS CARPET	KB	
	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H	8A-6P	OUTSIDE DOORS OPEN LOBBY OPEN SEATING OPEN PERFORMANCE MOVE OUT	AK	Box Office Count: (as of 1-18)
		DV	1:30P 2P 2:30P 3P-4:35P 4:30P-8P	FREIGHT ONLY ARRIVES	KB	
MON. JAN 24	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H	7A-7P	VEHICLE LOAD IN	KB	
		EHA-C, O A-H GA-F	8A-7P	MOVE IN REHEARSAL REHEARSAL	AK	
TUES. JAN 25	GRSO - CLASSICAL VI	DV	8:00A-1P 3:30P-6P 7:30P-10P			

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# DEVOSPLACE

## WEEKLY - YEAR 2004

WED. JAN 26	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H GA-F	7A-12P 1P-3P 6:30P-10P 10:15P-11:30P	FINAL DETAILING PRESS REVIEW CHARITY GALA GALA LOAD OUT	KB	
	GRSO - CLASSICAL VI	DV	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL	AK	
THURS. JAN 27	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H GA-F	8A-1P 8A-1P 3P-10P 7:30P-10P	RESET BOOTH LOAD IN/ CARST ONLY SHOW REHEARSAL	KB	
	GRSO - CLASSICAL VI	DV			AK	
FRI. JAN 28	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H GA-F	11A-10P	SHOW	KB	Estimated Attendance: 50,000
	GRSO - CLASSICAL VI	DV	6:30PM 6:45PM 7P-7:30P 7:30PM 8P-10PM	OUTSIDE DOORS OPEN UPBEAT OPEN UPBEAT SEATING OPEN PERFORMANCE	AK	
SAT. JAN 29	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H GA-F	10A-10P	SHOW	KB	Estimated Attendance: 50,000
	GRSO - CLASSICAL VI	DV	6:30PM 6:45PM 7P-7:30P 7:30PM 8P-10PM 10P-12A	OUTSIDE DOORS OPEN UPBEAT OPEN UPBEAT SEATING OPEN PERFORMANCE MOVE OUT	AK	Box Office Count: (as of 1-18)
SUN. JAN 30	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H GA-F	10A-6P 6:30P-10P	SHOW LOAD OUT	KB	Estimated Attendance: 50,000
	GEORGE CARLIN **RESCHEDULED FOR MARCH 31**	DV	1P-5P 5:30PM 6P 6:30P 7P-8:45P 9P-11P	MOVE IN OUTSIDE DOORS OPEN LOBBY OPEN SEATING OPEN PERFORMANCE MOVE OUT	AK	**RESCHEDULED FOR MARCH 31** Box Office Count: (as of 1-18)
MON. JAN 31	MI INTERNATIONAL AUTO SHOW	EHA-C, O A-H GA-F	8A-5P	FREIGHT OUT	KB	
TUES. FEB 1	GRAND ACTION	BALL A-D	8A-5P 6P-10P	MOVE IN BANQUET	AK	

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# DEVOS PLACE

## WEEKLY - YEAR 2004

WED. FEB 2	GR CHAMBER OF COMMERCE	BALL A-D		LUNCH MOVE OUT	AK	
THURS. FEB 3	AUTOWARES	BALL A-B	8:00AM-5:00PM	MOVE IN	MJ	
	GOLF SHOW	EH A, ½ OF EH B		MOVE IN	AF	
	BOAT SHOW	½ OF EHB	9:00A-5:00PM	LOAD-IN	KJB	
	JIM BRUCKMAN	DV	8A-6P 7:30P-9:30P 9:30P-12A	MOVE IN PERFORMANCE MOVE OUT	AK	Box Office Count: (as of 1-18)
FRI. FEB 4	AUTOWARES	BALL A-B RO A-F	1:30-8:00PM	EXHIBIT/MEETINGS	MJ	
	GOLF SHOW	EH A, ½ OF EH B		SHOW	AF	
	MI REPUBLICAN STATE COMMITTEE	EH C G A-F, O A-H		MOVE IN MEETING	KB	
SAT. FEB 5	OPERA GR PRESENTS LA BOHEME	DV		MOVE IN	AK	
	AUTOWARES	BALL B-C RO A-F	8:00AM-5:00PM	MEALS/MEETINGS	MJ	
	GOLF SHOW	EH A, ½ OF EH B		SHOW	AF	
	MI REPUBLICAN STATE COMMITTEE	EH C, G A-F, O A-H		MEETINGS	KB	
	VALENTINES BALL	BALL D		DANCE		THIS IS A NEW EVENT!!
SUN. FEB 6	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	8:00AM-6:00PM	MOVE IN	KB	
	LA BOHEME	DV	7:00P-10:00P	REHEARSAL	AK	
	GOLF SHOW	EH A, ½ OF EH B		SHOW/ MOVE OUT	AF	
MON. FEB 7	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	7:30AM-7:00PM	MOVE IN	KB	
	LA BOHEME	DV	7:30P-11:30P	REHEARSAL	AK	
TUES. FEB 8	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	7:00AM-3:00PM	LOAD-IN	KB	
	LA BOHEME	DV	7:30P-10:30P	REHEARSAL	AK	
WED. FEB 9	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	3:00PM-9:30PM	GALA	KB	
	LA BOHEME	DV	7:30P-10:30P	OPEN REHEARSAL	AK	
	BANK ONE OFFICER MEETING	RO E-F, BOARDROOM	1:30P 3:30P	REHEARSAL MEETING STARTS		

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# DEVOS PLACE

## WEEKLY - YEAR 2004

			4:30P-5P 5P-7P	RECEPTION STARTS RECEPTION		
THURS. FEB 10	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	3:00PM-9:30PM	SHOW	KB	
	LA BOHEME	DV		DARK	AK	
FRI. FEB 11	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	3:00PM-9:30PM	SHOW	KB	
	LA BOHEME	DV	6:30P-5P 7:30P-10:30P	LECTURE PERFORMANCE	AK	
	CITY MANAGER'S TOP MANAGEMENT MEETING	RO A	8:30A 9A 10:30A	REFRESHMENTS MEETING BEGINS MEETING ENDS	MJ	Box Office Count: (as of 1-18)
	BANK ONE RECEPTION	BOARDROOM	5:00PM-11:00PM	RECEPTION	MJ	
SAT. FEB 12	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	10:00AM-10:00PM	SHOW	KB	
	LA BOHEME	DV	6:30P-5P 7:30P-10:30P 10:30P-2:30A	LECTURE PERFORMANCE MOVE OUT	AK	Box Office Count: (as of 1-18)
SUN. FEB 13	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	10:00AM-6:00PM 6:30PM-10:00PM	SHOW LOAD-IN	KB	
MON. FEB 14	WEST MICHIGAN BOAT SHOW	EHA-C, O A-H	8:00AM-5:00PM	MOVE OUT	KB	
	SOUL JAM WITH THE STYLISTICS, DRAMATICS, CHILITES, CARK CARLTON	DV	TBD	PERFORMANCE	AK	Box Office Count: (as of 1-18)

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