

Meeting of Board of Directors

Wednesday, June 26, 2002

7:30 a.m. – 9:30 a.m.

County Administration Building Board Room, 3rd Floor
Grand Rapids, Michigan 49503

A G E N D A

- | | |
|--|-------------|
| I. Call to Order | |
| II. Approve the Minutes of May 22, 2002 Board Meeting | Action |
| III. Public Comment | |
| IV. Presentation – as of publication, none planned | |
| V. DeVos Place Construction Update - Erhardt/Hunt | Information |
| VI. Committee Reports | |
| a. Building Committee | |
| i. Approve Request to DDA for Additional Funding | Action |
| b. Operations and Marketing Committee | Information |
| - CVB Update | |
| c. Finance Committee | |
| i. Approval of Paid Invoices | Action |
| ii. Approval of SMG Financial Reports for period ending May 31, 2002 | Action |
| iii. Approval of CAA Financial Report for period ending May 31, 2002 | Action |
| VII. Approve Amendment No. 1 to Construction Manager Agreement Regarding Guaranteed Maximum Price | Action |
| VIII. Approve FY 2003 Operating/Capital Replacement and Administrative Budgets | Action |
| IX. Approve Extension of Bookkeeping Services Agreement | Action |
| X. Approve Extension of Payroll Services Agreement | Action |

Convention

Arena

Authority

John Logie,

Chairman

Lew Chamberlin

Clif Charles

David Frey

Steven Heacock

Birgit Klohs

Joseph Tomaselli



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



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

- XI. SMG Report**
- Facilities Calendar

Information

- XII. Other Business**

- XIII. Next Meeting Date - Wednesday, August 28, 2002, 7:30 a.m., Kent County
Administration Building, Commission Board Room**

- XIV. Adjournment**

Item II

MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY BOARD OF DIRECTORS MEETING Wednesday, May 22, 2002

I. Call to Order

Chairman John Logie called the meeting to order at 7:30 a.m. Chairman Logie presided and Secretary/Treasurer Birgit Klohs recorded.

Attendance

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

Members Absent: Lew Chamberlin

Staff/Others:	Matt Barnes	Erhardt/Hunt Joint Venture
	David Czurak	<i>Grand Rapids Business Journal</i>
	Robert DuHadway	DK Security
	Joe Erhardt	Erhardt/Hunt Joint Venture
	Jim Gray	CAA Owner Representative
	George Helmstead	CVB
	Kurt Kimball	City of Grand Rapids
	Jack Lane	Broadway Theater Guild
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Jack Naudi	<i>The Grand Rapids Press</i>
	Bill Sewall	Erhardt/Hunt Joint Venture
	Jay Silha	Broadway Theater Guild
	Dale Sommers	CAA Owner Representative
	Al Vanderberg	Kent County
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	CAA Attorney
	Robert White	Grand Rapids
	Steve Wilson	CVB
	Tim Wondergem	Wondergem Consulting

II. Minutes of Prior Meetings

Motion: Mr. Frey, supported by Mr. Tomaselli, moved to approve the Minutes of the April 24, 2002 meeting of the Authority. Motion carried unanimously.

III. Public Comment

None.

IV. Presentation – Jack Lane and Jay Silha, Broadway Theater Guild

Mr. Lane announced that the first show to open with the new DeVos Performance Hall lobby would be Blast, which runs from May 28 – June 2, 2002. The Broadway Theater Guild (BTG) was established in 1988, taking over for Ken Shaw Productions. The BTG is a 501(c)(3) non-profit organization, which is unusual since most theater guilds are for-profit organizations. The BTG offers six to eight shows each season, with eight performances for each production. Together with the other arts tenants, BTG has a \$1 million annual economic impact on downtown. The BTG draws patrons from out of state and 16 counties in West Michigan.

The BTG experienced a financial crisis and reorganized its board of directors. The board includes Harvey Gainey, Steve Wilson, Timothy Pietryga, Michael Bennett, Father Ron Hutchinson, Ann Marie young, R. Malcolm Cumming, Thomas Wesholski, and Peter Cook. In October 2001, Harvey Gainey was selected as board chairman. On his own accord, Mr. Gainey hired a development company to analyze and survey the BTG. The results indicated there is equity in the BTG name and BTG is a symbol of community vibrancy. The board has enacted business changes to keep the organization afloat: seek outside sources of income to cover expenses; establish grant giving program; maintain long-term debt at a manageable level. Beene Garter is conducting a thorough review BTG's finances and accounting practices. The BTG recently filed its Form 990 and has complied with the Attorney General's request to be brought current under state law. The board anticipates a break-even budget for the new fiscal year, which will begin in July.

Season subscriptions are important to the economic viability of BTG. BTG conducted a survey of non-renewals for the 2002-2003 season. Out of 600 surveys mailed, BTG received 146 responses. Of those who responded, 41% indicated the main reason for not renewing is unavailability on show dates. BTG contends that events are scheduled around holidays when people are busy or out of town. Mr. Logie countered that his family returns home during the holidays in anticipation of attending a BTG show. BTG is working with SMG and the other arts groups for the flexibility to book important shows during multiple weeks. BTG also would like full and early participation in calendar development.

BTG is serious about its 15-year old mission to bring the best of Broadway to Grand Rapids and West Michigan at affordable prices. In fulfillment of this mission, BTG has applied for foundation and corporate funding to initiate the following programs:

Kids on Broadway. BTG would subsidize tickets to in-need students and their parties to attend shows during the year.

Seniors on Broadway. BTG would subsidize tickets and transportation to area seniors through cooperative agreements with various organizations.

The Healing Arts. BTG would engage local hospitals, patients, and health professions to attend Broadway productions at reduced pricing.

Broadway in Education. BTG would provide study guides and master classes to area schools and discounted tickets to secondary school students.

Mr. Heacock asked if there were any shows with attendance large enough to warrant using the Van Andel Arena. Mr. Lane could think of only a couple of shows like Starlight Express and Aida and added that DeVos Performance Hall is a better performance place. Mayor Logie challenged the BTG to seek out those shows that could utilize the Arena on dark days. Mr. MacKeigan stated the Arena stage is higher than the DeVos stage and would need extensive refitting to accommodate a Broadway show. Mayor Logie thanked Mr. Lane and Mr. Silha for their updates.

V. DeVos Place Construction Update – Joe Erhardt, Bill Sewall

Mr. Erhardt reported that curved truss which forms the skeleton of the building will be completed this week. The super box truss and steel erection is scheduled to begin in June. The curtain wall, roofing, glass, and metal panel will begin in August. The bid process for phase III (banquet hall and Grand Center renovation) begins in June. Compaction grouting in the Grand Center will occur over the summer. Mr. Sewall reported that restroom construction is in process along with construction of the basement walls. Next week the floor slabs for the meeting rooms will be poured. The Exhibit Hall concrete work is on schedule and must advance the steel in order to stabilize the foundation walls. The Exhibit Hall roof will be installed by the end of this calendar year. The project continues to remain on schedule and on budget.

VI. FY 2002-2003 Operating/Capital Replacement and Administrative Budgets

Finance Committee Chairman Steve Heacock presented the proposed FY 2002-2003 SMG and CAA budgets. The SMG budgets cover the Grand Center and Van Andel Arena, while the CAA budget consolidates the SMG budgets and includes administration. The Van Andel Arena is expected to show a decrease in revenue of approximately \$120,000. The Grand Rapids Rampage will be changing its schedule from May-August to February-May. The change in the Rampage schedule will make it hard to schedule concerts during what has traditionally been the busiest time for other events. Mr. MacKeigan stated that the Rampage season would generate just \$14 in net revenues for the Arena, while a concert will average a net of \$56,000. Mr. Logie stated that Attorney Wendt is researching the possibility of changing the Rampage contract.

Grand Center revenues are expected to show a decrease of \$120,000 mainly due to the Midwest Woodworkers convention, which is an every-other-year event. The Grand Center is expected to show an increase in direct expenses due extra maintenance expenses for the new DeVos Performance Hall lobby and the director of sales position that remained vacant in FY 2002 but is scheduled to be filled in FY 2003.

Mr. Machuta presented additional information on the proposed Grand Center budget. Educational seminars are expected to decrease from 23 to 12, but there will be no significant loss in revenue. Total conventions/tradeshows are expected to increase from 73 to 76. There will be a minor drop in public shows due to construction and decreased space. The budget forecasts a

significant drop in seminars and meetings due to loss of space. DeVos Hall was exceptionally busy this year and is expected to show a decrease in revenue for FY 02-03. Mr. Logie asked if SMG were optimistic of the budget from an industry perspective. Mr. MacKeigan responded that, while the industry has suffered this year, both the Arena and Grand Center fared quite well. Both facilities received great rankings from industry magazines, several concerts were held at both venues, promoters are taking notice, and smaller markets have been popular since 9/11.

Ms. Wallace presented the CAA FY 2002 Revised and FY 2003 Proposed Budgets. The Operating Fund Budget consolidates Grand Center and Van Andel Arena financial activities with those of the CAA's administrative and capital replacement reserve accounts for the purpose of providing a financial perspective for overall CAA operations. Ms. Wallace noted two significant items in the Operating Budget. The insurance expense has doubled and there will be a transfer of \$727,023 in excess reserves to the capital replacement account. Capital expenditures of \$430,700 include a cyclorama and refinishing the stage floor at DeVos Performance Hall, and security gate system, hydraulic seating section, skywalk icemelt system, terrazzo floor repair, hockey glass, floor maintenance equipment, lobby duct painting, and banquet room refurbishment at the Van Andel Arena. The Construction Fund Budget shows several sources of revenue including the State of Michigan, interest on investments, CCBA capital contributions, and transfers from the operating fund. Expenditures are in line with cash flow projections.

Mr. Heacock stated the Finance Committee reviewed the proposed budgets and length and will approve them next month. Mr. Heacock commended SMG, Robert White, and Jana Wallace for their exceptional work. Mr. Logie stated that he was pleased to see healthy and conservative estimates. The CAA Board will approve the budgets at the June meeting.

VII. Committee Reports

Building Committee

Mr. Sommers stated that final touches on the DeVos Performance Hall lobby would be completed in June. Legal counsel and the owner's representatives are working with the construction manager to establish a guaranteed maximum price for phases I and II. The process should be completed in June. The final guaranteed maximum price for the Grand Center and Welsh Auditorium should be established in January 2004. The phase III bidding process has started and should be completed by October. Site work for the river walk will be completed in late 2004/early 2005. Mr. Sommers stated that the design of river walk has been in question by city officials. How fast the walk leaves the river level and rises to the plaza versus staying at river level (which is more expensive) for a longer length. Both designs are handicap accessible. The DDA has designated about \$2.2 million for improvement on river walk. The amount spent on the area in front of the river far exceeds this amount. The design that goes along the river edge is \$1.5 million more expensive. The preferred design is to construct the river walk so it gets to the promenade level as quickly as possible, which is less costly and accessible year-around. Mr. Logie stated that he wants the river walk to be cost effective, but also to meet the State's requirements that came with the funding.

Operations Committee

Mr. Vanderberg reported that spring-cleaning and painting at the Van Andel Arena has begun. At the Grand Center, the bid process has started for refinishing the DeVos stage floor and for a new cyclorama. The DeVos Performance Hall lobby is open and operating. People have been so impressed by its beauty that SMG has been asked to lease the space for dinners, receptions, and meetings. The logo subcommittee proposed to hire Hanon McKendry to design the DeVos Place logo at a price not to exceed \$7,000. The Committee concurred with the recommendation. The Grand Rapids Area New Car Dealers Association and ShowSpan would each like to book a date in 2004 to host the Auto Show. Both groups will make presentations at the June meeting. Mr. Logie stated that he would like the Committee to resolve the issue at that meeting. However, should either party disagree with the Committee's decision, the matter can be appealed to the full Board. The Amway Grand Plaza Hotel is interested in pursuing a catering and concessions agreement for the new convention center. Mr. MacKeigan expects to reach conceptual agreement by August. However, Mr. Logie indicated that the Board needs to be comfortable with any decision that does not involve a public bid.

Mr. Wilson stated that the CVB is hosting its first spring familiarization tour in conjunction with the Farmer's Classic Golf Tournament. The CVB hosted a luncheon for GRACE to discuss the possibility of booking more religious conferences. The Midwest Woodworkers group remains interested in Grand Rapids for 2003 and is revisiting the option of using the Arena or multiple venues around town. Major groups the CVB is working on include Michigan Junior Volleyball Association, Association of Pet Dog Trainers, American Jail Association, and Association Small Business Development Centers. The CVB held 19 site inspections and submitted 20 bid presentations. The CVB attended three major tradeshow and made sales trips to Washington, D.C., Chicago, and Indianapolis. The CVB is working with Clif Charles to bring back Gordon Food Service.

Finance Committee

Mr. Heacock presented the Finance Committee report and recommended approval of: (a) paid invoices, (b) SMG financial reports for period ending April 30, 2002, and (c) CAA financial report for period ending April 30, 2002.

Motion: Ms. Klohs, supported by Mr. Heacock, moved to approve (a) payment of invoices totaling \$4,748,566.38, (b) SMG Financial Statements for the Van Andel Arena and Grand Center for the period ended April 30, 2002, and (c) the Grand Rapids – Kent County Convention/Arena Authority Financial Statements for the period ended April 30, 2002. Motion carried unanimously.

VIII. Approval of Amendment to Construction Manager Agreement

Attorney Richard Wendt recommended approval of Amendment No. 4 to the Construction Manager Agreement regarding billable rates. Mr. Wendt explained that the new rates are well within the contracted range of 3-5%. The 4.25% increase includes cost of living and wage increases.

Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve Amendment No. 4 to the Construction Manager Agreement. Motion carried unanimously.

IX. Approval of Directors & Officers Insurance Renewal

The Finance Committee requested approval of the D&O liability insurance renewal. The premium has increased from \$14,850 to \$22,000, while the deductible has increased from \$5,000 to \$15,000.

Motion: Mr. Heacock, supported by Ms. Klohs, moved to approve renewal of the Directors & Officers Liability Insurance Renewal in the amount of \$22,000. Motion carried unanimously.

X. SMG Report

Facilities Calendar

Mr. MacKeigan reported that the summer promises to be a busy season with the following events: Incubus, Brooks & Dunn, Blink 182/Green Day, Eagles, Tom Petty, Davenport commencement, Korn, Cher, Promise Keepers, and the Who.

XI. Other Business

Mr. Logie stated the July CAA meeting will be canceled. Mr. Logie congratulated *Press* reporter Jack Naudi on his new position in Indianapolis. The CAA appreciated Jack's fair and accurate coverage.

XII. Adjournment

There being no other business, the meeting was adjourned at 9:15 a.m.

Birgit M. Klohs
Recording Secretary



Memorandum

To: CAA Board Members

From: Dale Sommers, Owner Representative

Date: June 20, 2002

Re: Request to DDA for Additional Funding

Convention

Arena

Authority

John Logie,

Chairman

Lew Chamberlin

Clif Charles

David Frey

Steven Heacock

Birgit Klohs

Joseph Tomaselli

As you know, there is a project shortfall of approximately \$13 million. At the June 19, 2002, CAA Building Committee meeting, members discussed possible sources of funding. It was suggested that the CAA Board request an additional \$5 million from the DDA. The DDA will meet on July 10, and the Committee would like a formal request made on that date.

This discussion came about due to a report to the committee. The City, DDA Staff, and Owner Reps of CAA had met to discuss the Riverfront Development in front of DeVos Place. The Project presently does not plan or have funds to do the DDA Riverfront Vision. The City with DDA match has secured an additional \$300,000+ of grant funds for the Riverfront. An additional \$700,000+ would still be needed to do the DDA vision. Discussion has taken place about requesting \$700,000 from the DDA for the Riverfront specifically.

Action requested: Request that the DDA contribute an additional \$5 million to be used within the present scope of the project.



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130 Fulton West
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BUILDING COMMITTEE REPORT
To
Grand Rapids-Kent County Convention/Arena Authority
June 26, 2002

The New DeVos Performance Hall Lobby addition and renovation has been completed. In June (during DeVos Hall's slow time) a series of code compliance requirements will be installed including new stair doors and fire proofing measures.

Steel Service Corp. completed setting the main bent columns in the Grand Gallery, and is in process of installing the pipe purlins that form the roof structure. Steel work is approximately 90% complete in the Grand Gallery. Concrete slabs on the elevated floors, stair installation, mechanical piping and ductwork remain the primary activities in the space. Block walls in the lower level have been substantially completed.

The Exhibit Hall concrete work continues on schedule as Kent/Tillman installs parking level and street level slabs along the East and West sides, along with miscellaneous walls, ramps, shafts, etc.... Andy J. Egan Company is installing under slab plumbing and ElecTech II is installing floor boxes that will provide utilities to Exhibitors when complete.

Most recent focus in the Exhibit Hall has been aimed at starting to set the super box trusses. The trusses are being assembled on the ground in the center of the space while temporary shoring towers, on the 3rd points of the span, were set in place. Three cranes have been set up to handle the erection.

Phase 3 work this month included the bid and award of DeVos Hall stage rigging upgrades and the Grand Center compaction grouting work aimed at stabilizing the earth below the foundations and permanently stop the settlement problems that have plagued the facility for years.

**MBE/WBE PARTICIPATION SUMMARY
SUBCONTRACTS AWARDED TO DATE**

Cost Code	Subcontractor/Vendor	Description of Work	Contract Amount	MBE/WBE Opportunities	MBE/WBE Contractor	MBE/WBE Amount	%
9416	Dykema Excavating	DeVos Hall Earthwork	\$23,500	Y	Advanced Disposal	\$500	2%
				Y	Lee's Excavating	\$3,000	13%
9421	Pitsch Companies	Demolition	\$699,420	Y	Burns Contracting	\$77,000	11%
9422	Diversco	Earthwork	\$1,674,500	Y	Millenium Contracting Supply	\$200,000	12%
				Y	Marjo Construction Services	\$18,000	1%
9436	Kent/Tillman Joint Venture	Concrete	\$8,236,765	Y	Tillman	\$1,235,514	15%
9442	Ace Steel Erection	Rebar	\$267,908	Y	Ace Steel Erection	\$267,908	100%
9443	MichMex	Slabs-On-Metal Deck	\$20,368	Y	Mich Mex	\$20,368	100%
9451	Burgrabe Masonry	Block Masonry	\$63,791	Y	B&B Masonry	\$1,000	2%
				Y	Big Mac Masonry	\$7,000	11%
9461	Steel Supply & Engineering	Structural Steel	\$216,000	Y	Michigan Industrial Metals	\$62,921	29%
9462	Steel Service Corporation	Structural Steel	\$14,410,000	Y	Three Star Fabricating LLC	\$995,080	7%
				Y	Ideal Steel	\$275,000	2%
				Y	TBD	\$459,020	3%
9525	Ritsena Associates	Drywall & Ceilings	\$233,491	Y	Helms Caulking	\$34,500	15%
9526	Johnson Carpet, Inc.	Carpet	\$173,950	Y	ICR Carpet Installations	\$5,285	3%
9527	Dave Cole Decorators	Painting and Wall Coverings	\$15,945	Y	Eminent Services	\$1,600	10%
9651	Andy J. Egan	Mechanical	\$16,601,147	Y	Grand Rapids Fire Protection	\$12,425	0%
				Y	Top Notch Plumbing	\$40,100	0%
				Y	Johnson Controls MBE Subcontractor	\$82,500	0%
				Y	Brigade Fire Protection MBE Sub	\$97,000	1%
				Y	Brooks Plumbing	\$1,600,174	10%
				Y	Insulation & Environmental Services	\$604,959	4%
9513	Naturalite	Skylight	\$1,024,320	Y	Helms Caulking	\$28,681	3%
9481	Architectural Glass and Metals	Metal Panels and Curtainwall	\$2,259,694	Y	Construction Concepts	\$714,730	32%
				Y	Helms Caulking	\$18,990	1%
9454	Lynn Masonry	Masonry and Granite	\$1,830,182	Y	Helms Caulking	\$20,000	1%
				Y	Construction Concepts	\$200,000	11%
9534	Sobie Companies	Carpet	\$216,600	Y	TBD	\$23,826	11%
9523	Cleveland Construction	Drywall & Ceilings	\$4,060,000	Y	TBD	\$487,200	12%
9483	Bouma Construction	Spray Fireproofing	\$485,000	Y	C.I.S.	\$400,000	82%
9464	Van Dam Iron Works	Misc. Metals	\$1,980,000	Y	Construction Concepts	\$165,100	8%
					Bob's Glass	\$209,500	11%
9472	Trend Millwork	Millwork and Wood Doors	\$254,200	Y	TBD	\$27,962	11%
	Bob's Glass	Ticket Windows	\$29,360	Y	Bob's Glass	\$29,360	100%

Cost Code	Subcontractor/Vendor	Description of Work	Contract Amount	MBE/WBE Opportunities	MBE/WBE Contractor	MBE/WBE Amount	%
9526	Johnson Carpet, Inc.	Ceramic Tile	\$268,900	Y	Midwest Tile	\$214,054	80%
9432	Pro-Line Painting	Parking Striping	\$8,455	Y	Pro-Line Painting	\$8,455	100%
9539	H&H Painting	Painting and Wall Coverings	\$514,467	Y	McLemore Painting	\$56,600	11%
9671	Electech II	Electrical	\$12,684,444	Y	Taylor Electric	\$1,902,667	15%
TOTAL			\$68,252,407			\$10,607,979	16%

Cost Code	Subcontractor/Vendor	Description of Work	Contract Amount	MBE/WBE Opportunities	MBE/WBE Contractor	MBE/WBE Amount	%
Contracts without Opportunity for MBE/WBE Participation							
9417	Berkel & Company	Mini-Piles	\$221,200	N			
9423	Case Foundation	Caissons	\$4,807,000	N			
9441	Grand River Construction	Concrete Walls	\$240,000	N			
9452	Vetter Stone Company	Limestone - Supplier	\$584,261	N			
9462	Couturier Iron Craft	Stainless Steel	\$41,140	N			
9471	Grand Valley Wood Products	Millwork - Supplier	\$29,200	N			
9481	Architectural Glass & Metals	Metal Panels	\$128,540	N			
9482	J&L Roofing	Roofing	\$57,760	N			
9500	Glass Enterprise	Glass Curtain Wall	\$219,864	N			
9501	Overhead Door Company	Overhead Doors	\$9,739	N			
9502	S.A. Morman	Door Hardware - Supplier	\$65,430	N			
9637	Schindler Elevator Corporation	Elevators and Escalators	\$2,202,615	N			
9444	Stress-Con Industries, Inc.	Precast Concrete	\$85,380	N			
9487	Modern Roofing	Roofing	\$1,320,105	N			
9502	S.A. Morman	Door Hardware - Supplier	\$536,250	N			
9484	Riverside Group	Metal Panels	\$2,222,326	N			
9587	Stafford-Smith	Food Service Equipment	\$228,458	N			
9582	Traffic Safety	Parking Equipment	\$280,315	N			
9499	Overhead Door Company	Vertical Lift Doors	\$301,712	N			
9583	Applied Handling	Coiling Doors & Loading Docks	\$149,405	N			
9559	Daktronics	Reader Board	\$683,846	N			
9559	Jarob Signs	DeVos Lobby Signage	\$33,081	N			
9562	Advanced Equipment	Operable Partitions	\$665,205	N			
	Beck's Studio's	DeVos Hall Rigging	\$75,321	N			
	Bay Area	Terrazzo	\$854,953	N			

Item VI.c.i.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 11, 2002

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

FROM: Jana M. Wallace *JMW*
Fiscal Services Analyst

SUBJECT: **Monthly Disbursements Report**

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

Dates checks were issued	Operating Fund	Construction Fund
May 28, 2002	\$ 55,638.49	\$ 473,683.95
June 14, 2002	55,650.21	3,528,551.71
Payroll – 05/17/2002	2,093.00	--
Payroll – 05/31/2002	2,012.50	--
Disbursements by Fund	\$ 115,394.20	\$4,002,235.66

Total funds expended by the Grand Rapids - Kent County Convention / Arena Authority during the period May 17 through June 14, 2002, were \$4,117,629.86.

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

Attachments

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on May 28, 2002, as Authorized by the Current Bookkeeping Policy

Payee		Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by Project Manager				
C	Champion Environmental Services Inc	\$ 19,740.00	01/31/2002	Asbestos abatement in Hall of Justice - payment 5
C	Materials Testing Consultants Inc	2,003.80	05/14/2002	Geotechnical services re Grand Center & Welsh - April 2002
C	Materials Testing Consultants Inc	42,556.71	05/14/2002	Construction phase services - April 2002
C	Nextel Communications	152.58	05/07/2002	Owner's representatives cellular phone charges thru 05/06/2002
C	Ottawa County Landfill	4,132.85	05/20/2002	Contaminated soil dumping - May 3 - 16, 2002
C	Progressive AE	341,902.21	05/14/2002	Architectural design services - April 2002
C	Progressive AE	24,615.66	05/14/2002	Owner requested changes - April 2002
C	Progressive AE	1,134.97	05/14/2002	De Vos Performance Hall interior art / accessories - April 2002
C	Progressive AE	19,285.17	05/15/2002	Environmental graphics - April 2002
C	Progressive AE	18,160.00	05/15/2002	On-site architect's representative - April 2002
		\$ 473,683.95		Sub-Total - Invoices Submitted by Project Manager
Invoices Submitted by City Fiscal Services				
O	Arthur J. Gallagher Risk Mnmt Serv	\$ 22,000.00	04/25/2002	Directors and officers liability policy - 4/25/02-4/25/03
O	Consumers Energy	26,174.17	05/07/2002	Electrical services for Grand Center - April 2002
O	ICMA Retirement Corporation	230.77	04/05/2002	Admin mgr's 401A - employer/employee contribs for 04/05/02 payroll
O	ICMA Retirement Corporation	230.77	04/19/2002	Admin mgr's 401A - employer/employee contribs for 04/19/02 payroll
O	ICMA Retirement Corporation	230.77	05/03/2002	Admin mgr's 401A - employer/employee contribs for 05/03/02 payroll
O	ICMA Retirement Corporation	240.00	05/17/2002	Admin mgr's 401A - employer/employee contribs for 05/17/02 payroll
O	Priority Health	228.56	05/14/2002	Insurance benefits for administrative manager - June 1, 2002
O	Warner Norcross & Judd LLP	3,701.60	01/31/2002	Legal services re establishment of DeVos Place trademark
O	Warner Norcross & Judd LLP	2,578.85	01/31/2002	Legal services re establishment of Van Andel Arena trademark
O	Warner Norcross & Judd LLP	23.00	03/31/2002	Legal services re establishment of DeVos Place trademark
		\$ 55,638.49		Sub-Total Invoices - Invoices Submitted by City Fiscal Services
		\$ 473,683.95		Total Invoices Submitted for Payment from Construction Account
		\$ 55,638.49		Total Invoices Submitted for Payment from Operating Account
		\$ 529,322.44		Total Invoices Processed for Payment

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

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on June 14, 2002, as Authorized by the Current Bookkeeping Policy

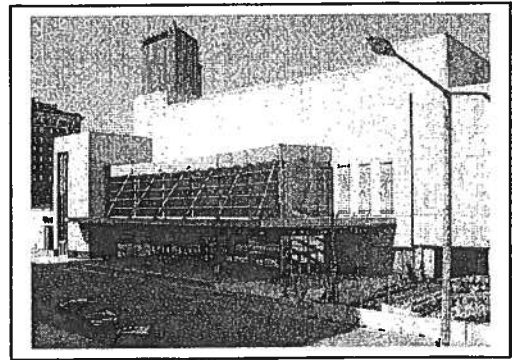
	Payee	Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by Project Manager				
C	Erhardt - Hunt: A Joint Venture	\$ 3,340,585.00	05/31/2002	Progress Pmt # 18: Construction - foundation / steel / general
C	GR-KC C/AA Retainage Account	159,606.00	05/31/2002	Retainage for progress payment # 18
C	J P Gray Consulting Inc	11,210.00	06/05/2002	Project management services - May 2002
C	Ottawa County Landfill	5,470.71	06/03/2002	Contaminated soil dumping - May 23 - 24, 2002
C	Sommers, Dale H	11,680.00	05/31/2002	Project management services - May 2002
		\$ 3,528,551.71		Sub-Total - Invoices Submitted by Project Manager
Invoices Submitted by City Fiscal Services				
O	Beene Garter LLP	\$ 755.00	05/21/2002	Bookkeeping services for period ended May 20, 2002
O	Consumers Energy	24,085.92	05/28/2002	Electrical services for Arena - May 2002
O	Consumers Energy	1,411.48	05/24/2002	Electrical services for Skywalk - May 2002
O	Dickinson Wright PLLC	108.00	05/31/2002	Legal services re concession agreement - April 2002
O	Dickinson Wright PLLC	405.00	05/31/2002	Legal services re general matters - April 2002
O	Gene E. Fonger, O.D.	231.00	05/31/2002	Vision services for Administrative Manager - May 2002
O	Grand Rapids City Treasurer	30.25	05/30/2002	Fire protection water line for Grand Center - June - August 2002
O	Grand Rapids City Treasurer	48.39	05/30/2002	Fire protection water line for Grand Center - June - August 2002
O	Grand Rapids City Treasurer	1,256.30	05/30/2002	Water and sewer services for Arena - May 2002
O	Grand Rapids City Treasurer	109.84	05/30/2002	Water services for Arena - May 2002
O	Grand Rapids City Treasurer	48.39	05/30/2002	Fire protection water line for Grand Center - June - August 2002
O	Grand Rapids City Treasurer	48.39	05/30/2002	Fire protection water line for Grand Center - June - August 2002
O	Grand Rapids City Treasurer	1,528.11	05/23/2002	Water and sewer services for Grand Center - May 2002
O	Grand Rapids City Treasurer	30.25	05/30/2002	Fire protection water line for Grand Center - June - August 2002
O	ICMA Retirement Corporation	230.77	05/31/2002	Admin mgr's 401A - employer/employee contribs for 05/31/02 payroll
O	Kent County Dept of Public Works	715.59	05/31/2002	Skywalk steam services - May 2002
O	Kent County Dept of Public Works	14,752.54	05/31/2002	Grand Center steam services - May 2002
O	Kent County Dept of Public Works	9,827.31	05/31/2002	Arena steam services - May 2002
O	Rapid Hot Coffee Service	27.68	05/22/2002	Beverages / snacks for May 22, 2002 meeting
		\$ 55,650.21		Sub-Total Invoices - Invoices Submitted by City Fiscal Services
		\$ 3,528,551.71		Total Invoices Submitted for Payment from Construction Account
		\$ 55,650.21		Total Invoices Submitted for Payment from Operating Account
		\$ 3,584,201.92		Total Invoices Processed for Payment

C = Convention Center construction related expenses

O = Non-construction / operating expenses



Item VI.c.ii.



DeVos Performance Hall Lobby

GRAND CENTER

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2002**

Distribution:

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



An SMG Managed Facility

**GRAND CENTER
ROLLING FORECAST - YE 6/30/02
SUMMARY**

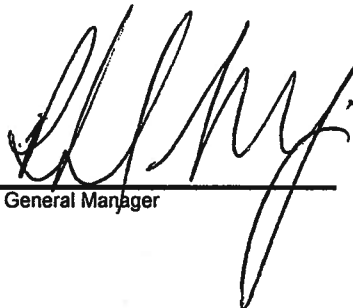
	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	366	19	385	318	67
ATTENDANCE	473,124	19,620	492,744	494,970	(2,226)
DIRECT EVENT REVENUE	1,401,173	55,930	1,457,103	1,133,612	323,491
ANCILLARY REVENUE	569,348	10,225	579,573	499,919	79,654
TOTAL EVENT REVENUE	1,970,521	66,155	2,036,676	1,633,531	403,145
TOTAL OTHER REVENUE	113,412	5,200	118,612	136,000	(17,388)
TOTAL OPERATING REVENUE	2,083,933	71,355	2,155,288	1,769,531	385,757
INDIRECT EXPENSES					
EXECUTIVE	83,983	7,214	91,197	81,433	(9,764)
FINANCE	120,530	11,580	132,110	145,356	13,246
MARKETING	37,564	4,260	41,824	139,854	98,030
OPERATIONS	469,229	45,781	515,010	445,575	(69,435)
EVENT SERVICES	333,963	37,457	371,420	417,843	46,423
BOX OFFICE	45,107	6,004	51,111	60,682	9,571
OVERHEAD	933,576	105,964	1,039,540	984,945	(54,595)
TOTAL OPERATING EXP.	2,023,950	218,260	2,242,212	2,275,688	33,476
NET REVENUE ABOVE EXPENSES	59,981	(146,905)	(86,924)	(506,157)	419,233
CAPITAL	47,841	-	47,841	173,850	(126,009)
NET OPERATING REVENUE OVER OPERATING EXPENSES	12,140	(146,905)	(134,765)	(680,007)	545,242

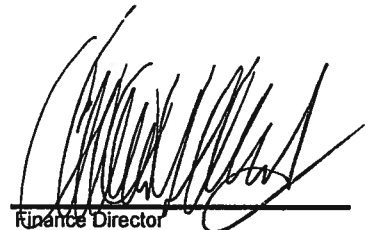
****ESTIMATED**
MANAGEMENT FEE CALCULATION**

BENCHMARK REVENUES	\$ 1,769,531
PROJECTED REVENUES	\$ 2,155,288
PROJECTED INCREASE	<u>\$ 385,757</u>
20% OF FIRST \$500,000	\$ 77,151
25% OF \$500,000 AND ABOVE	\$ -
TOTAL INCENTIVE FEE	<u>\$ 77,151</u>
TOTAL BASE F/Y 2002	<u>\$ 225,000</u>
TOTAL FEE FOR F/Y 2002	<u><u>\$ 302,151</u></u>

Comments:

May marks the end of the busy season for the Grand Center, and with much greater success than originally budgeted. The revised forecast shows the Grand Center will lose a little over \$80,000 for the fiscal year, which is an increase from the April forecast. This is due to a more aggressive (and more labor intensive) approach to both custodial and maintenance projects.


General Manager


Finance Director

**GRAND CENTER
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2002**

The following schedule summarizes operating results for the month ending and the YTD ending May 31, 2002, compared to budget and to the prior year:

MONTH	May Actual	May Budget	May FY 2001
Number of Events	29	30	35
Attendance	28,859	44,900	41,466
Direct Event Income	\$76,245	\$80,874	\$90,354
Ancillary Income	35,565	39,069	33,464
Other Income	4,860	11,333	5,033
Indirect Expenses	(236,776)	(189,642)	(169,124)
Net Income	(\$120,105)	(\$58,366)	(\$40,273)

YTD	YTD 2002 Actual	YTD 2002 Budget	YTD 2001 Prior Year
Number of Events	366	310	376
Attendance	473,124	484,720	494,876
Direct Event Income	1,401,173	1,117,822	1,395,681
Ancillary Income	569,348	490,800	624,114
Other Income	113,412	124,663	104,593
Indirect Expenses	(2,023,952)	(2,086,062)	(1,946,778)
Net Income	\$59,981	(\$352,777)	\$177,611
Less Capital	(\$47,841)	(\$63,339)	
Net Income after Capital	\$12,140	(\$416,116)	\$177,611

EVENT INCOME

Direct event income performed at expected levels for the month. The original budget called for Broadway to have a performance, however, it was moved to June. This was offset by the very successful Harry Connick Jr. concert.

ANCILLARY INCOME

Ancillary income performed slightly below expected levels for the month. This is mainly due to the scheduling of Blast in June versus the original expectation of a May event.

INDIRECT EXPENSES

Indirect expenses came in higher than expected levels for the month. This is due to higher than normal labor expenses for some summer projects, and the accrual of the expected SMG incentive fee.

GRAND CENTER
FACILITY STATEMENT OF INCOME
PERIOD ENDING 05/31/02

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

DIRECT EVENT INCOME						
RENTAL INCOME	83,029	80,150	87,280	1,365,630	1,099,235	1,370,617
SERVICES INCOME	<6,783>	724	3,074	35,543	18,587	25,064
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	76,245	80,874	90,354	1,401,173	1,117,822	1,395,681
ANCILLARY INCOME						

FOOD & BEVERAGE	16,091	15,099	14,880	192,565	175,141	255,462
NOVELTY	3,650	1,060	676	39,051	17,912	18,785
TELECOMMUNICATIONS	152	0	0	8,513	0	0
ELECTRICAL	570	660	0	32,808	19,540	0
OTHER ANCILLARY	15,102	22,250	17,909	296,411	278,207	349,867
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	35,565	39,069	33,464	569,348	490,800	624,114
	-----	-----	-----	-----	-----	-----
TOTAL EVENT INCOME	111,811	119,943	123,818	1,970,521	1,608,622	2,019,795
OTHER OPERATING INCOME	4,860	11,333	5,033	113,412	124,663	104,593
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	116,670	131,276	128,851	2,083,933	1,733,285	2,124,389
INDIRECT EXPENSES						
EXECUTIVE	9,872	6,786	3,676	83,983	74,646	36,698
FINANCE	13,901	12,114	10,212	120,530	133,254	117,081
MARKETING	3,424	11,653	5,315	37,564	128,183	83,938
OPERATIONS	42,043	37,131	67,782	469,229	408,441	720,516
EVENT MANAGEMENT	58,370	34,820	0	333,963	383,020	0
BOX OFFICE	7,025	5,058	2,828	45,107	55,638	33,322
OVERHEAD	102,141	82,080	79,311	933,576	902,880	955,223
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	236,776	189,642	169,124	2,023,952	2,086,062	1,946,778
	-----	-----	-----	-----	-----	-----
NET OPERATING INCOME	<120,105>	<58,366>	<40,273>	59,981	<352,777>	177,611
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	47,841	63,339	0
	-----	-----	-----	-----	-----	-----
OTHER EXPENSES	0	0	0	47,841	63,339	0
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	<120,105>	<58,366>	<40,273>	12,140	<416,116>	177,611
	=====	=====	=====	=====	=====	=====

GRAND CENTER
STATEMENT OF SERVICES INCOME
PERIOD ENDING 05/31/02

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
<hr/>						
Advertising Billed	5,451	0	1,772	111,923	0	30,213
Stagehands Billed	60,679	70,000	79,486	791,343	577,800	691,236
Security Billed	2,822	2,650	3,755	105,218	90,970	86,964
Ushers & Tix Takers Billed	8,332	11,380	12,451	140,199	136,457	126,154
Box Office Billed	1,400	1,500	1,900	24,527	19,700	18,050
Ticketing Service Billed	9,272	7,600	7,362	180,641	127,080	131,285
Utilities Billed	0	0	0	5,470	0	9,315
City Police Fire Billed	496	500	1,039	20,321	15,680	22,149
Traffic Control Billed	299	0	17	19,138	8,020	12,063
EMT Medical Billed	1,179	1,471	1,438	22,989	21,941	18,814
Cleaning Billed	0	0	0	2,770	0	1,565
Insurance Billed	233	0	0	1,275	0	2,186
Group Sales Commissions Billed	0	0	0	889	0	0
Telephone Billed	335	0	1,077	11,579	150	6,682
Damages Billed	0	0	0	71	0	0
Other Production Billed	3,403	0	3,500	66,763	0	24,689
<hr/>						
TOTAL SERVICE INCOME	93,902	95,101	113,796	1,505,114	997,798	1,181,364
<hr/>						
Advertising Expense	5,451	0	1,182	102,765	0	29,194
Stagehand Wages	60,375	67,901	74,443	786,803	560,473	649,616
Security Wages	0	0	3,755	7,722	2,930	88,025
Contracted Security Expense	2,673	2,650	0	97,511	88,040	0
Ushers & T/T Wages	5,832	7,966	8,715	98,140	95,365	88,308
Ticket Sellers Wages	870	2,088	1,443	17,402	29,388	27,058
Ticket Service Charge Expense	4,856	2,661	3,047	62,102	29,189	35,182
City Police Fire Expense	496	500	1,240	20,321	15,680	22,351
Traffic Control Expense	825	0	523	36,797	15,660	29,948
EMT Medical Expense	905	1,471	510	16,778	21,941	14,174
Cleaning Wages	11,546	9,140	11,950	152,617	120,545	147,862
Contracted Cleaning Expense	0	0	0	2,083	0	0
Insurance Expense	55	0	0	899	0	1,789
Damage Expense	0	0	0	0	0	420
Production Expense	6,802	0	3,913	67,633	0	22,374
<hr/>						
TOTAL SERVICE EXPENSE	100,685	94,377	110,722	1,469,571	979,211	1,156,300
<hr/>						
NET SERVICE INCOME	<6,783>	724	3,074	35,543	18,587	25,064
=====						

GRAND CENTER
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 05/31/02

ASSETS

CURRENT ASSETS

CASH	1,777,213
ACCOUNTS RECEIVABLE	293,990
PREPAID EXPENSES	88,015

TOTAL CURRENT ASSETS	2,159,219

FIXED ASSETS

TOTAL ASSETS	2,159,219
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	654,676
ACCRUED EXPENSES	124,285
ADVANCED TIX SALES & DEPOSITS	363,695

TOTAL CURRENT LIABILITIES	1,142,655

EQUITY

FUNDING RECEIVED	458,507
RETAINED EARNINGS	545,916
NET INCOME (LOSS)	12,141

TOTAL EQUITY	1,016,564

TOTAL LIABILITIES & EQUITY	2,159,219
	=====

GRAND CENTER
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 05/31/02

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	60,101	46,705	28,356	469,525	513,755	323,345
Part-Time	15,051	10,741	10,208	149,334	118,151	136,101
Wages-Trade	98,577	72,348	93,208	1,018,248	795,828	917,282
Auto Expense	1,521	1,771	1,321	16,379	19,481	12,729
Taxes & Benefits	29,422	26,812	26,560	305,951	294,932	267,877
Less: Allocation/Reimbursement	<93,785>	<86,166>	<104,625>	<1,181,678>	<947,826>	<1,009,153>
TOTAL LABOR COSTS	110,887	72,211	55,028	777,759	794,321	648,182
Contracted Security	4,648	5,200	10,220	49,432	57,200	48,378
Other Contracted Services	186	175	0	1,855	1,925	1,530
Travel & Entertainment	292	766	233	5,696	8,426	3,015
Corporate Travel	454	313	0	2,338	3,443	3,331
Meetings & Conventions	0	1,641	0	9,396	18,051	5,017
Dues & Subscriptions	199	141	145	1,525	1,551	1,710
Employee Training	0	767	0	459	8,437	124
Miscellaneous Expense	0	0	0	66	0	110
Computer Expense	<468>	5,317	2,924	30,039	58,487	38,071
Professional Fees	1,730	1,667	1,125	18,753	18,337	12,375
Marketing & Advertising	<4>	833	0	10,219	9,163	9,348
Box Office Expenses	56	0	9	565	0	168
Small Equipment	0	0	0	0	0	813
Trash Removal	837	2,667	2,458	12,295	29,337	15,513
Equipment Rental	413	350	17	3,084	3,850	4,787
Landscaping	0	0	0	0	0	4,045
Snow Removal	0	0	0	169	0	1,751
Exterminating	375	350	0	4,433	3,850	5,260
Cleaning	0	625	250	613	6,875	6,473
Construction Costs	0	0	335	1,350	0	1,135
Repairs & Maintenance	11,606	8,583	10,554	113,128	94,413	97,390
Supplies	3,178	11,270	17,439	80,461	123,970	135,564
Bank Service Charges	1,082	625	2,680	11,916	6,875	15,662
Insurance	9,921	8,583	15,520	110,950	94,413	124,195
Other Taxes	0	300	0	0	3,300	2,535
Printing & Stationary	0	916	0	1,224	10,076	2,982
Office Supplies	1,098	625	719	7,427	6,875	7,921
Postage	0	250	276	1,138	2,750	1,643
Parking Expense	<929>	1,167	0	18,814	12,837	16,223
Telephone Long Distance	369	2,550	312	27,206	28,050	39,248
Utilities	41,561	43,000	38,176	458,507	473,000	515,225
Base Fee	18,750	18,750	13,169	206,250	206,250	161,238
Incentive Fee	30,535	0	<2,465>	56,885	0	15,818
TOTAL MATERIAL AND SERVICES	125,889	117,431	114,096	1,246,193	1,291,741	1,298,596
TOTAL INDIRECT EXPENSES	236,776	189,642	169,124	2,023,952	2,086,062	1,946,778



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2002**

Distribution:

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



An SMG Managed Facility

**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2002**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	128	7	135	118	17
ATTENDANCE	717,264	57,100	774,364	711,300	63,064
DIRECT EVENT INCOME	1,208,491	135,401	1,343,892	1,077,595	266,297
ANCILLARY INCOME	1,384,425	118,852	1,503,277	1,332,520	170,757
TOTAL EVENT INCOME	2,592,916	254,253	2,847,169	2,410,115	437,054
TOTAL OTHER INCOME	1,661,293	154,000	1,815,293	1,699,681	115,612
TOTAL INCOME	4,254,209	408,253	4,662,462	4,109,796	552,666
INDIRECT EXPENSES					
EXECUTIVE	82,821	7,854	90,675	82,334	(8,341)
FINANCE	148,785	12,450	161,235	151,806	(9,429)
MARKETING	173,731	11,478	185,209	147,483	(37,726)
OPERATIONS	1,009,646	92,450	1,102,096	1,019,556	(82,540)
BOX OFFICE	104,807	11,640	116,447	109,722	(6,725)
LUXURY SEATING	96,325	8,845	105,170	114,218	9,048
SKYWALK ADMIN	32,405	3,216	35,621	36,676	1,055
OVERHEAD	1,206,270	99,280	1,305,550	1,215,202	(90,348)
TOTAL INDIRECT EXP.	2,854,789	247,213	3,102,003	2,876,997	(225,006)
NET REVENUE ABOVE EXPENSES	1,399,420	161,040	1,560,459	1,232,799	327,660
LESS ALLOCATION FOR CAPITAL REPLACEMENT	204,215	204,500	408,715	430,500	21,785
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	1,195,205	(43,460)	1,151,744	802,299	305,875

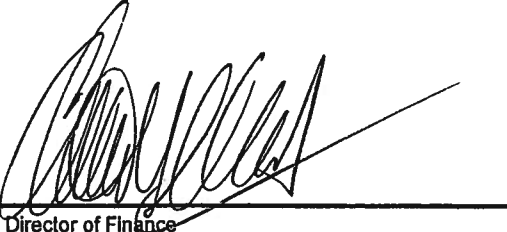
Benchmark revenues	4,199,913
Final Statement revenues	4,662,462
Projected excess	462,549
20% of first \$500,000 excess	92,510
25% of \$500,000 and above	-
Total Incentive Fee	92,510
2002 Base Fee	225,000
Total Fee for FY 2002	317,510

Comments:

May continues the successful second half of the fiscal year for the Arena. The Arena again came in above expected levels for the month as it played host to the sold out Incubus concert and two nights of well attended Professional Bull Riders.

The forecast for the balance of the fiscal year shows an increase above the April expectations as the Arena will host one additional concert (Tom Petty) than originally thought.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2002**

The following schedule summarizes operating results for the month ending and the YTD ending May 31, 2002, compared to budget and to the prior year:

MONTH	May Actual	May Budget	May FY 2001
Number of Events	5	6	12
Attendance	38,202	22,000	63,651
Direct Event Income	\$153,477	\$79,000	\$184,376
Ancillary Income	58,225	61,084	118,941
Other Income	153,367	141,640	164,962
Indirect Expenses	(263,275)	(239,604)	(233,573)
Net Income	<u>\$101,794</u>	<u>\$42,120</u>	<u>\$234,707</u>

YTD	YTD 2002 Actual	YTD 2002 Budget	YTD 2001 Prior Year
Number of Events	128	114	147
Attendance	717,264	684,200	752,749
Direct Event Income	1,208,491	1,041,741	1,428,377
Ancillary Income	1,384,425	1,303,511	1,456,592
Other Income	1,661,293	1,558,040	1,486,884
Indirect Expenses	(2,854,789)	(2,634,814)	(2,807,088)
Net Income	<u>\$1,399,420</u>	<u>\$1,268,478</u>	<u>\$1,564,764</u>
Less Capital	\$204,215	\$46,715	\$34,600
Net Income after Capital	<u>\$1,195,205</u>	<u>\$1,221,763</u>	<u>\$1,530,164</u>

EVENT INCOME

Event income came in above expected levels for the month. This increase was mainly due to the higher than expected attendance for the Professional Bull Riders event.

ANCILLARY INCOME

Ancillary income came in below expected levels for the month. The Incubus concert that was held was very well attended, it drew a younger crowd resulting in low F & B per caps.

INDIRECT EXPENSES

Indirect expenses came in above budget for the month. This is due to labor expenses associated with summer projects.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 05/31/02

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

DIRECT EVENT INCOME						
RENTAL INCOME	112,275	108,550	196,833	1,759,009	1,520,045	1,955,630
SERVICES INCOME	41,202	<29,550>	<12,457>	<550,518>	<478,304>	<527,253>
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	153,477	79,000	184,376	1,208,491	1,041,741	1,428,377
ANCILLARY INCOME						

FOOD & BEVERAGE	37,427	47,150	92,123	1,092,100	1,038,399	1,214,021
NOVELTY	19,057	12,306	24,451	249,241	224,446	209,854
OTHER ANCILLARY	1,740	1,628	2,367	43,085	40,666	32,718
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	58,225	61,084	118,941	1,384,425	1,303,511	1,456,592
TOTAL EVENT INCOME	211,701	140,084	303,317	2,592,916	2,345,252	2,884,969
OTHER OPERATING INCOME	153,367	141,640	164,962	1,661,293	1,558,040	1,486,884
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	365,069	281,724	468,280	4,254,209	3,903,292	4,371,852
INDIRECT EXPENSES						
EXECUTIVE	9,092	6,861	15,568	82,821	75,471	97,094
FINANCE	15,369	12,650	7,343	148,785	139,150	112,045
MARKETING	14,699	12,145	17,631	173,731	132,765	143,695
LUXURY SEATING	9,283	9,518	8,367	96,325	104,698	91,356
OPERATIONS	110,746	84,962	51,333	1,009,646	934,582	962,942
BOX OFFICE	13,217	9,144	7,015	104,807	100,584	82,066
SKYWALK ADMINISTRATION	3,536	3,056	1,773	32,405	33,616	32,873
OVERHEAD	87,334	101,268	124,544	1,206,270	1,113,948	1,285,017
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	263,275	239,604	233,573	2,854,789	2,634,814	2,807,088
NET OPERATING INCOME	101,794	42,120	234,707	1,399,420	1,268,478	1,564,764
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	135,000	0	4,218	204,215	46,715	34,600
	-----	-----	-----	-----	-----	-----
OTHER EXPENSES	135,000	0	4,218	204,215	46,715	34,600
NET INCOME (LOSS)	<33,206>	42,120	230,489	1,195,205	1,221,763	1,530,164
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 05/31/02

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	25,613	277,081	0	208,116
Sponsorship Income	0	0	0	37,000	0	43,248
Labor Billed	540	1,080	5,738	19,508	20,030	28,172
Changeover Setup Billed	7,129	6,900	22,287	133,310	116,800	165,545
Stagehands Billed	15,962	28,000	125,203	425,775	408,400	495,466
Security Billed	10,039	4,600	17,911	185,015	92,200	150,458
Ushers & Tix Takers Billed	4,363	5,750	15,785	133,113	120,900	151,992
Box Office Billed	387	1,900	1,629	12,345	16,025	22,464
Ticketing Service Billed	9,108	9,000	33,565	211,185	136,950	161,918
City Police Fire Billed	840	1,008	1,456	12,344	8,736	11,707
EMT Medical Billed	2,300	500	2,825	25,985	10,910	21,898
Production Materials Billed	0	0	0	205	0	0
Cleaning Billed	3,682	6,200	16,844	113,336	120,600	130,694
Insurance Billed	0	0	0	2,592	0	2,240
Group Sales Commissions Billed	280	0	50	3,171	0	7,552
Telephone Billed	670	900	4,400	24,715	18,175	21,442
Equipment Rental Billed	0	0	0	0	0	2,975
Damages Billed	0	0	0	0	0	610
Other Production Billed	10,782	4,000	34,809	278,925	169,260	343,152
TOTAL SERVICE INCOME	66,082	69,838	308,115	1,895,604	1,238,986	1,969,649
Advertising Expense	200	0	23,336	305,919	0	253,845
Sponsorship Expenses	0	0	0	2,800	0	13,118
Labor Wages	459	918	4,877	16,581	17,027	23,946
Contracted Changeover Setup Expense	<4,092>	14,164	24,267	261,995	195,855	243,884
Stagehand Wages	14,088	27,354	133,393	451,089	449,216	510,313
Contracted Security Expense	14,332	8,640	24,796	267,170	152,390	230,090
Contracted Ushers & T/T Expense	<12,623>	14,540	23,992	252,752	248,010	298,000
Ticket Sellers Wages	329	0	1,384	10,217	0	10,266
Ticket Service Charge Expense	8,545	9,000	23,910	188,012	146,700	170,489
City Police Fire Expense	840	1,008	1,232	10,944	10,572	9,320
EMT Medical Expense	5,262	1,484	2,240	47,412	21,727	16,055
Contracted Cleaning Expense	<18,171>	17,837	24,838	274,883	292,093	309,350
Insurance Expense	0	0	0	9,219	0	20,553
Allocated Telephone Expense	150	298	1,083	6,070	4,235	5,018
Equipment Rental Expense	0	0	0	0	0	967
Damage Expense	0	0	0	0	0	387
Production Expense	15,561	4,145	31,225	341,058	179,465	381,303
TOTAL SERVICE EXPENSE	24,880	99,388	320,572	2,446,122	1,717,290	2,496,902
NET SERVICE INCOME	41,202	<29,550>	<12,457>	<550,518>	<478,304>	<527,253>

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 05/31/02

ASSETS

CURRENT ASSETS

CASH	5,584,252
ACCOUNTS RECEIVABLE	2,142,123
PREPAID EXPENSES	169,845

TOTAL CURRENT ASSETS	7,896,219
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FIXED ASSETS

TOTAL ASSETS	7,896,219
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	903,513
ACCRUED EXPENSES	344,851
DEFERRED INCOME	964,685
ADVANCED TIX SALES & DEPOSITS	4,076,745

TOTAL CURRENT LIABILITIES	6,289,794
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EQUITY

FUNDS REMITTED	<1,768,769>
FUNDING RECEIVED	535,358
RETAINED EARNINGS	1,644,632
NET INCOME (LOSS)	1,195,205

TOTAL EQUITY	1,606,426
--------------	-----------

TOTAL LIABILITIES & EQUITY	7,896,219
----------------------------	-----------

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 05/31/02

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	60,994	42,706	39,425	487,737	469,766	375,463
Part-Time	6,696	2,230	7,981	70,224	23,700	88,305
Wages-Trade	58,442	68,160	127,969	724,090	749,760	760,538
Auto Expense	777	810	531	8,302	8,910	6,441
Taxes & Benefits	23,912	28,648	34,011	270,070	315,128	252,393
Less: Allocation/Reimbursement	<29,800>	<64,906>	<140,911>	<585,503>	<713,966>	<573,723>
TOTAL LABOR COSTS	121,021	77,648	69,007	974,920	853,298	909,416
Contracted Security	16,873	16,500	11,332	180,000	181,500	177,596
Contracted Cleaning	4,196	2,000	2,017	24,370	22,000	22,191
Other Contracted Services	0	300	0	3,350	3,300	2,616
Travel & Entertainment	1,095	442	1,725	9,936	4,862	12,174
Corporate Travel	0	625	0	1,884	6,875	4,585
Meetings & Conventions	17	1,083	571	8,431	11,913	2,635
Dues & Subscriptions	0	108	0	3,083	1,188	1,735
Employee Training	0	975	0	2,501	10,725	2,538
Computer Expense	1,933	5,317	1,578	80,958	58,487	29,854
Professional Fees	3,064	2,042	1,500	28,394	22,462	20,108
Marketing & Advertising	1,791	7,250	9,354	86,608	79,750	69,552
Box Office Expenses	1,334	0	<62>	1,505	0	<3,617>
Small Equipment	0	0	0	1,687	0	2,143
Trash Removal	1,583	1,250	1,491	15,862	13,750	16,310
Equipment Rental	1,446	650	135	15,863	7,150	15,091
Landscaping	0	292	0	10,257	3,212	2,130
Exterminating	0	333	0	2,475	3,663	2,903
Cleaning	0	450	0	2,810	4,950	1,060
Safety Equipment	0	0	0	248	0	0
Repairs & Maintenance	5,784	10,666	1,861	80,074	117,326	88,641
Supplies	19,476	15,091	10,343	199,873	166,001	189,804
Bank Service Charges	419	1,167	2,302	12,261	12,837	12,524
Insurance	6,125	11,512	18,425	115,550	126,632	102,667
Other Taxes	0	300	0	69	3,300	3,062
Printing & Stationary	0	1,917	245	5,375	21,087	11,476
Office Supplies	1,003	1,000	291	15,523	11,000	9,677
Postage	102	1,050	40	6,892	11,550	6,319
Parking Expense	1,510	1,592	1,460	18,104	17,512	17,520
Telephone Long Distance	1,359	4,300	5,810	45,237	47,300	51,104
Utilities	42,680	57,483	57,924	678,510	632,313	703,048
Base Fee	18,750	18,750	21,988	206,250	206,250	238,154
Incentive Fee	15,000	0	14,927	45,000	0	87,854
Depreciation	0	491	0	0	5,401	0
Amortization	0	0	1,963	5,737	0	21,597
Common Area Expense	<3,136>	<2,710>	<1,572>	<28,737>	<29,810>	<21,393>
Less: Allocated/Reimbursement	<150>	<270>	<1,083>	<6,070>	<2,970>	<5,985>
TOTAL MATERIAL AND SERVICES	142,254	161,956	164,566	1,879,868	1,781,516	1,897,672
TOTAL INDIRECT EXPENSES	263,275	239,604	233,573	2,854,789	2,634,814	2,807,088

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

INTERIM FINANCIAL STATEMENTS

Eleven Months Ended May 31, 2002



ACCOUNTANTS' REPORT

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

We have compiled the accompanying statements of cash receipts and disbursements and cash receipts and disbursements - budget to actual for the operating account and construction account of the Grand Rapids - Kent County Convention / Arena Authority for the eleven months ended May 31, 2002, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These statements do not include the cash receipts and disbursements of the Van Andel Arena and Grand Center which are operated by the Authority. The financial statements presented have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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

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

Beene Garter LLP

June 12, 2002
Grand Rapids, Michigan

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

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

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INTERIM FINANCIAL STATEMENTS

Statement A

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

Statement of Cash Receipts and Disbursements

From July 1, 2001 to May 31, 2002

	<u>Operating Account</u>	<u>Construction Account</u>	<u>Retainage Account</u>
RECEIPTS			
Beginning Balance - July 1, 2001	\$ 3,578,979.18	\$ 5,410,627.09	\$ -
State of Michigan	-	45,000,000.00	-
CCBA Capital Contributions	-	26,143,616.13	-
Interest Deposits	81,814.65	231,921.77	9,387.54
Transfer from Operating Account	-	2,000,000.00	-
Transfer from Construction Account	-	-	2,027,614.00
Miscellaneous Revenue	-	23,153.00	-
Facility Operations	1,898,030.06	-	-
Total Cash Receipts	<u><u>5,558,823.89</u></u>	<u><u>78,809,317.99</u></u>	<u><u>2,037,001.54</u></u>
 DISBURSEMENTS			
Checks issued prior months	3,258,508.89	31,073,587.48	-
Checks issued 5/14/02	77,520.36	4,201,494.12	266,329.00
Checks issued 5/28/02	55,638.49	473,683.95	-
Payroll Expenditures	50,847.92	-	-
Expense Reimbursement	(3,000.06)	(1,220.79)	-
Bank fees	-	(306.34)	-
Total Cash Disbursements	<u><u>3,439,515.60</u></u>	<u><u>35,747,238.42</u></u>	<u><u>266,329.00</u></u>
 Net Pooled Cash and Investments	<u><u>\$ 2,119,308.29</u></u>	<u><u>\$ 43,062,079.57</u></u>	<u><u>\$ 1,770,672.54</u></u>

Statement B

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Operations) From July 1, 2001 to May 31, 2002

	OPERATING ACCOUNT			
	Facilities Operations		Capital Replacement	
	Budget	Actual	Budget	Actual
RECEIPTS				
Facility Operations	\$ 1,695,443	\$ 1,898,030	\$ 237,000	\$ -
Interest on Investments	100,000	45,632	40,000	36,183
Capital Replacement Reserve Transfer	570,357	-	(570,357)	-
From / (To) Fund Balance	-	-	530,357	-
TOTAL RECEIPTS	2,365,800	1,943,662	237,000	36,183
DISBURSEMENTS				
Accounting / Auditing Services	20,000	22,004	-	-
Bank Fees	-	-	-	-
Insurance - Property and Liability	15,000	24,966	-	-
Legal Services	55,000	28,160	-	-
Other Contractual Services	8,150	27,883	-	-
Facility Management Fees	-	151,122	-	-
Meeting Expense	650	715	-	-
Supplies	1,200	1,122	-	-
Transfer to Construction Account	1,000,000	2,000,000	-	-
Sub-total Service Disbursements	1,100,000	2,255,973	-	-
Electricity	611,000	651,907	-	-
Steam	527,000	415,566	-	-
Water and Sewer	67,800	53,860	-	-
Sub-total Utility Disbursements	1,205,800	1,121,333	-	-
Building Additions and Improvements	-	-	225,000	-
Facility Equipment Acquisition	-	-	12,000	-
Sub-total Capital Disbursements	-	-	237,000	-
Employee Wages	50,000	46,231	-	-
Employee Benefits	10,000	15,979	-	-
Sub-total Payroll Disbursements	60,000	62,210	-	-
TOTAL DISBURSEMENTS	2,365,800	3,439,516	237,000	-
Excess / (Deficit) of Funds	\$ -	\$ (1,495,854)	\$ -	\$ 36,183
	See Comments 1 and 2		See Comments 1 and 2	

Comment 1: Facilities Operations and Capital Replacement budgets were approved by the GR-KC Convention / Arena Authority at its regularly scheduled meeting on June 27, 2001.

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

Statement C

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Construction) From July 1, 2001 to May 31, 2002

	CONSTRUCTION ACCOUNT			
	Monroe Ave Relocation		Convention Center Construction	
	Budget	Actual	Budget	Actual
RECEIPTS				
State of Michigan	\$ 2,630,697	\$ -	\$ 27,369,303	\$ 45,000,000
City / County Bldg Authority Capital Contrib.	-	125,883	-	26,017,733
Transfer from Operating Fund	-	-	1,000,000	2,000,000
Miscellaneous Revenue	-	23,153	-	-
Interest on Investments	54,830	54,355	445,170	177,567
TOTAL RECEIPTS	2,685,527	203,391	28,814,473	73,195,300
DISBURSEMENTS				
Architectural and Engineering Services	490,000	328,574	6,000,000	4,408,169
Construction Material Testing	-	-	400,000	560,366
Construction in Progress - GMP	2,175,527	154,243	21,425,973	27,821,948
Sub-total Construction Disbursements	2,665,527	482,817	27,825,973	32,790,483
Bank Fees	-	-	-	(306)
Insurance -Property / Liability	-	-	40,000	42,670
Legal Services	15,000	1,251	50,000	7,697
Project Manager / Owner's Representative	-	-	285,000	229,459
Other Contractual Services	5,000	50,000	600,000	2,089,373
Sub-total Service Disbursements	20,000	51,251	975,000	2,368,892
Electricity	-	-	-	38,376
Steam	-	-	-	11,877
Water and Sewer	-	-	-	1,869
Sub-total Utility Disbursements	-	-	-	52,122
Advertising / Promotion / Publicity	-	-	5,000	-
Supplies	-	-	1,000	-
Postage / Express	-	-	500	-
Printing and Binding	-	-	5,000	-
Telephone	-	-	2,000	1,674
Sub-total Supplies Disbursements	-	-	13,500	1,674
TOTAL DISBURSEMENTS	2,685,527	534,068	28,814,473	35,213,170
Excess / (Deficit) of Funds	\$ -	\$ (330,677)	\$ -	\$ 37,982,129
	See Comment		See Comment	

Comment: Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on June 27, 2001.

Memorandum

To: CAA Board Members

From: Susan Waddell, Administrative Manager

Date: June 18, 2002

Re: Amendment No. 1 to Construction Manager Agreement Regarding
Guaranteed Maximum Price

Convention
Arena
Authority

John Logie,
Chairman
Lew Chamberlin
Clif Charles
David Frey
Steven Heacock
Birgit Klohs
Joseph Tomaselli

The Construction Manager has prepared the attached Guaranteed Maximum Price Documents. This is the same format and content used on the Van Andel Arena.

Jim Gray and Dale Sommers, Owner Representatives, have reviewed these documents. Attorney Richard Wendt has reviewed and approved for content.

The documents were presented to the CAA Building Committee on June 19, 2002, and the Committee recommends CAA Board approval.

If you have any questions or would like additional information, please contact me directly at 742-6194. Thank you.



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



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



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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION
OF AMENDMENT NO. 1 TO AGREEMENT BETWEEN OWNER AND
CONSTRUCTION MANAGER WITH ERHARDT/HUNT FOR
EXPANSION AND RENOVATION OF THE CONVENTION CENTER,
A/K/A DEVOS PLACE**

Boardmember _____, supported by Boardmember _____,

moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") has previously entered into a Standard Form of Agreement Between Owner and Construction Manager (the "Construction Manager Agreement" or "Agreement") in February, 2001, with Erhardt/Hunt, a joint venture ("E/H"), for the expansion and renovation of the Convention Center, a/k/a DeVos Place (the "Project"); and

WHEREAS, the Construction Manager Agreement provides that when the Drawings and Specifications (as defined in the Agreement) are sufficiently complete, E/H shall propose a Guaranteed Maximum Price (as defined in the Agreement) (the "GMP") for Phase 1 and Phase 2 (both as defined in the Agreement) of the Project; and

WHEREAS, E/H has proposed Amendment No. 1 to the Construction Manager Agreement establishing a GMP for Phase 1 and 2 of the Project of **\$118,054,870** and a substantial completion date of **December 31, 2003**; and

WHEREAS, the CAA Board desires to approve and authorize the Amendment in the form presented at this meeting.

RESOLVED:

1. That the Amendment is hereby approved and the Chairman of the CAA is authorized and directed to sign the Amendment for and on behalf of the CAA.

2. That all resolutions, parts of resolutions, policies and guidelines in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED

Dated: June 26, 2002

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on June 26, 2002, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: June 26, 2002

Susan M. Waddell
Administrative Manager/Recording Secretary

**Amendment No. 1 to Agreement
Between Owner and Construction Manager**

Pursuant to Paragraph 2.2 of the Agreement, dated February 28, 2001 between Grand Rapids - Kent County Convention Arena Authority (CAA) (Owner) and Erhardt/Hunt, A Joint Venture (Construction Manager), for Expansion and Renovation of the Convention Center (the Project), the Owner and Construction Manager establish a Guaranteed Maximum Price and Contract Time for the Work as set forth below.

**ARTICLE I
GUARANTEED MAXIMUM PRICE**

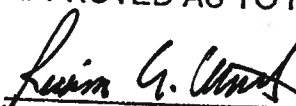
The Construction Manager's Guaranteed Maximum Price for the Work, including the estimated Cost of the Work as defined in Article 6 and the Construction Manager's Fee as defined in Article 5, is One Hundred Eighteen Million Fifty-Four Thousand Eight Hundred Seventy Dollars (\$118,054,870).

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

- Exhibit A Drawings, Specifications, addenda and General, Supplementary and other Conditions of the Contract on which the Guaranteed Maximum Price is based, pages 1 through 36 dated May 16, 2002.
- Exhibit B Allowance items, pages 1 through 2 dated May 16, 2002
- Exhibit C Assumptions and clarifications made in preparing the Guaranteed Maximum Price, pages 1 through 4, dated May 16, 2002
- Exhibit D Completion schedule, pages 1 through 3, dated May 16, 2002
- Exhibit E Alternate prices, pages 1 through 1, dated May 16, 2002
- Exhibit F Unit prices, pages 1 through 1, dated May 16, 2002

**ARTICLE II
CONTRACT TIME**

APPROVED AS TO FORM


Legal Counsel for the
Convention/Arena Authority

The date of Substantial Completion established by this Amendment is: December 31, 2003

OWNER

CONSTRUCTION MANAGER

BY:

BY

John H. Logie/Chairman

Michael J. Gausden/Project Executive

Grand Rapids-Kent County Convention/Arena Authority

Erhardt/Hunt, A Joint Venture

DATE

DATE

ATTEST

ATTEST

Grand Rapids Convention Center Expansion and Renovation

Phase 1 and 2 Guaranteed Maximum Price (GMP)

DeVos Lobby Addition	4,847,644
Grand Gallery and Exhibit Halls	88,230,587
Signage	250,000
General Conditions, Insurance, Permits	17,056,414
	<hr/> 110,384,645
Owner's Contingency	1,000,000
	<hr/> 111,384,645
Contractor's Contingency (3.5%)	3,898,463
	<hr/> 115,283,108
CM Fee (3.75%)	4,323,117
	<hr/> 119,606,224
CCIP Deduct	
	Lobby Addition (63,485)
	Exhibit Halls (1,487,869)
	<hr/> \$118,054,870
Total GMP - Phase 1 and 2	

Balance to Complete	
Site Work	4,225,412
DeVos Hall Renovation	2,113,735
Signage	50,000
Theatrical Rigging	87,000
Grand Center	13,488,980
Signage	200,000
Food Service Equipment	NIC
Welsh Ballroom	27,925,075
Signage	250,000
	<hr/> 48,340,202
Owner's Contingency	1,190,738
	<hr/> 49,530,940
CM Fee (3.75%)	1,857,410
	<hr/> \$51,388,350
Total Balance to Complete	
Total Construction Costs	\$169,443,220

**GRAND RAPIDS CONVENTION CENTER
EXPANSION AND RENOVATION**

PHASE 3 DESIGN DEVELOPMENT DOCUMENT ESTIMATE SUMMARY

May 2002

	Sitetework	DeVos Hall		New Halls	Grand Center	Welsh	Total
		Lobby Add	Renovation				
Division 02: Sitework	3,047,364		248,221		945,730	2,580,974	6,822,289
Division 03: Concrete			-		220,550	1,382,606	1,603,156
Division 04: Masonry			62,719		228,351	171,420	462,490
Division 05: Metals			15,085		206,900	4,349,500	4,571,485
Division 06: Woods and Plastics			7,591		117,313	519,271	644,175
Division 07: Thermal & Moisture Protection			24,492		360,887	2,057,873	2,443,252
Division 08: Doors and Windows			29,126		392,380	1,418,335	1,839,841
Division 09: Finishes			355,206		1,340,023	2,645,374	4,340,603
Division 10: Specialties			23,339		306,568	447,210	777,117
Division 11: Equipment			-		400	-	400
Division 12: Furnishings			-		5,000	6,125	11,125
Division 13: Special Construction			-		-	-	-
Division 14: Conveying Systems			307,650		229,745	77,042	614,437
Division 15: Mechanical			387,469		4,744,879	3,351,198	8,483,546
Division 16: Electrical	515,217		311,712		1,788,072	3,673,903	6,288,904
Subtotal	3,562,581		1,772,610		10,886,798	22,680,831	38,902,820
PCO Log							-
Allowances							-
Welsh Entrance Restoration						250,000	250,000
Signage			50,000		200,000	250,000	500,000
Theatrical Rigging			87,000			Not Included	87,000
Food Service Equipment							-
Escalation	500,000		250,000		2,000,000	4,000,000	6,750,000
Owner's Contingency					1,190,738		1,190,738
Construction Contingency	203,129		107,981		713,877	1,359,042	2,384,028
Anticipated C.C.I.P. Credits	(40,298)		(16,855)		(111,695)	(364,798)	(533,646)
Total	4,225,412		2,250,736		14,879,718	28,175,075	49,530,940
General Conditions, Insurance and Permits							Not Included
CM Fee							1,857,410
TOTAL CONSTRUCTION ESTIMATE							\$ 51,388,350

Included with Phase 2 GMP



GRAND CENTER / DEVOS PERFORMANCE HALL

**FACILITY BUDGET
FISCAL YEAR ENDING JUNE 30, 2003**

Distribution:

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



An SMG Managed Facility

SMG - Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Budget Highlights
Fiscal Year Ending June 30, 2003

Overview

Fiscal year 2003 marks the final budget for the Grand Center as the new DeVos Place will be in operation during fiscal year 2004.

Income

The Grand Center is expected to show a decrease in revenue of about \$120,000. This is mainly due to the Woodworkers show (\$110,000) which is an every other year event, and an anticipated decrease from the DeVos Performance Hall.

New events have been booked in the convention center for the coming year, however, they do not have the economic impact of the Woodworkers.

DeVos Performance Hall has had an exceptional year in F/Y 2002. We are anticipating another strong year for DeVos Performance hall, budgeted to be the second best year ever.

Indirect Expenses

The Grand Center is expected to show an increase in indirect expenses of just over \$180,000 when compared to F/Y 2002.

This expected increase is due to the Director of Sales position (\$90,000) that continues to be open. This position is key to the success of the new facility, however, is only going to be filled when the right fit seems to have been made.

The rest of the increase comes in the Event Services department. In F/Y 2002, some positions stayed open due to turnover which caused a savings in labor of \$40,000. In addition, now that the lobby of DeVos Performance Hall is complete, it is expected that the facility will incur extra custodial labor and supplies of \$45,000, to assure a high facility standard is maintained.

SMG - Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Lead Income Statement
Fiscal Year Ending June 30, 2003

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2003 BUDGET	FY 2002 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	8	6	24	34	29	34	31	36	40	28	31	4	305	378	(73)
ATTENDANCE	5,507	4,500	29,300	32,600	31,000	51,650	39,400	86,100	80,250	31,850	52,050	5,100	449,307	510,146	(60,839)
DIRECT EVENT INCOME															
RENT	30,625	28,500	68,575	117,125	88,338	128,300	96,879	187,063	218,100	155,200	99,925	16,000	1,231,630	1,391,868	(160,238)
SERVICE INCOME	(3,102)	(2,058)	7,776	(391)	6,610	13,934	5,714	10,898	7,311	(871)	18,214	2,140	66,175	44,742	21,433
TOTAL DIRECT EVENT INCOME	27,523	26,442	76,351	116,734	94,948	142,234	102,593	197,961	225,411	154,329	115,139	18,140	1,297,805	1,436,610	(138,805)
ANCILLARY INCOME															
CONCESSIONS	706	317	17,823	5,616	2,653	6,506	6,587	18,630	24,788	7,881	4,442	1,035	96,984	88,904	8,080
CATERING	369	3,850	4,473	13,154	4,779	17,702	1,003	9,389	9,437	7,732	4,526	211	76,925	90,139	(13,514)
NOVELTY	-	300	1,250	250	1,500	2,000	3,450	750	2,000	2,450	1,250	1,500	16,700	32,926	(16,226)
DECORATOR	1,853	1,360	9,103	14,399	6,290	9,945	11,049	38,760	25,245	36,295	11,636	850	166,785	197,185	(30,400)
ELECTRICAL	200	300	1,870	1,790	930	1,700	1,730	2,050	4,780	9,150	1,650	200	26,350	27,048	(698)
EQUIPMENT	3,150	2,500	6,365	12,700	7,950	15,050	8,200	12,500	19,400	5,945	11,100	2,750	107,610	107,875	(265)
TOTAL ANCILLARY INCOME	6,278	8,627	40,884	47,909	24,102	52,903	32,019	82,079	85,650	69,453	34,604	6,546	491,054	544,077	(53,023)
TOTAL EVENT INCOME	33,801	35,069	117,235	164,643	119,050	195,137	134,612	280,040	311,061	223,782	149,743	24,686	1,788,859	1,980,687	(191,828)
OTHER OPERATING INCOME															
INTEREST INCOME	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,913	35,000	23,685	11,315
TICKET INCENTIVES	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	138,000	77,251	60,749
EQUIPMENT RENTAL	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	13,308	4,692
OTHER INCOME	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	16,772	(4,772)
TOTAL OTHER INCOME	16,917	16,917	16,917	16,917	16,917	16,917	16,917	16,917	16,917	16,917	16,917	16,913	203,000	131,016	71,984
ADJUSTED GROSS INCOME	50,718	51,986	134,152	181,560	135,967	212,054	151,529	296,957	327,978	240,699	166,660	41,599	1,991,859	2,111,703	(119,844)
INDIRECT EXPENSES															
EXECUTIVE	7,172	7,172	7,172	7,172	7,172	7,172	7,172	7,172	7,172	7,172	7,172	7,172	86,064	83,860	(2,204)
FINANCE	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,906	142,850	137,672	(5,178)
MARKETING	12,236	12,236	12,236	12,236	12,236	12,236	12,236	12,236	12,236	12,236	12,236	12,251	146,847	52,512	(94,335)
OPERATIONS	40,083	40,083	40,083	40,083	40,083	40,083	40,083	40,083	40,083	40,083	40,083	40,068	480,979	507,367	(26,388)
EVENT SERVICES	37,301	37,301	37,301	37,301	37,301	37,301	37,301	37,301	37,301	37,301	37,301	37,304	447,613	344,190	(103,423)
BOX OFFICE	4,785	4,785	4,785	4,785	4,785	4,785	4,785	4,785	4,785	4,785	4,785	4,791	57,425	49,574	(7,851)
OVERHEAD	82,505	82,505	82,505	82,505	82,505	82,505	82,505	82,505	82,505	82,505	82,505	82,496	990,049	992,959	(2,910)
TOTAL INDIRECT EXPENSES	195,986	195,986	195,986	195,986	195,986	195,986	195,986	195,986	195,986	195,986	195,986	195,988	2,351,831	2,168,134	(183,693)
NET FACILITY INCOME (LOSS)	(145,268)	(144,000)	(61,834)	(14,426)	(60,019)	16,068	(44,457)	100,971	131,992	44,713	(29,326)	(154,389)	(359,972)	(56,431)	(303,541)

SMG - Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2003

EXHIBIT HALLS	2002 NO of Events	2003 NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Decorator Income	Electrical Income	Equipment Income	EVENT INCOME FY 2003	EVENT INCOME FY 2002	VARIANCE
Associations	7	10	5,250	43,500	(4,339)	689	4,113	-	4,335	700	4,260	30,866	22,352	(11,898)
Agriculture & Farming	2	2	1,500	11,700	(800)	235	158	-	2,040	300	1,000	14,633	11,898	(1,943)
Banking	2	2	2,000	14,050	(1,140)	-	4,220	-	2,125	400	1,100	20,765	16,576	(1,943)
Beauty & Hair Care	3	3	1,200	14,825	(1,855)	435	338	-	6,865	600	400	20,278	21,263	(608)
Building & Construction	5	3	3,000	15,000	(700)	424	384	-	3,740	600	900	20,278	45,625	(25,947)
Dental	-	3	12,000	90,750	(4,561)	1,070	9,205	-	14,110	2,050	8,600	121,404	20,278	(14,943)
Education	23	12	2,000	40,000	(1,483)	1,765	84	-	7,140	1,400	1,000	49,906	58,333	(8,427)
Floriculture & Horticulture	3	3	807	16,000	(2,140)	329	422	-	2,580	400	1,750	19,311	19,311	-
Fire & Fire Protection	-	4	700	6,425	(400)	153	264	-	3,145	250	100	9,537	25,504	(16,000)
Food Processing & Distribution	2	2	1,750	6,500	(630)	-	422	-	1,500	150	100	8,622	9,155	(782)
Furniture Industry	2	2	2,500	6,000	(591)	71	3,270	-	1,530	350	700	11,340	6,200	5,140
Government	2	2	1,500	7,000	(1,550)	-	1,319	-	9,350	3,300	700	47,119	47,204	(85)
Medical & Health Care	3	3	1,500	7,000	(695)	-	264	-	850	150	800	8,383	8,383	-
Petroleum & Gas	2	2	800	4,875	(914)	-	158	-	425	150	1,000	6,894	5,694	1,200
Political	2	2	1,000	5,000	(625)	188	158	-	2,210	300	1,000	8,251	8,251	-
Insurance	2	2	1,000	3,500	(750)	-	158	-	850	150	700	5,008	5,008	-
Libraries	2	2	500	3,000	(476)	-	105	-	3,485	1,300	200	7,620	7,620	-
Nursing	1	1	1,250	6,825	(580)	282	-	-	765	100	-	7,412	7,245	(167)
Restaurant & Food Service	3	3	300	4,875	-	-	105	-	765	100	500	6,345	6,345	-
Science	2	2	1,500	15,000	(1,068)	1,753	-	-	-	2,000	125	20,205	14,760	5,445
Toys & Hobbies	2	2	200	6,000	(106)	518	21	-	127	-	1,500	8,060	8,060	-
Water	2	2	5,000	8,275	599	1,953	-	-	1,360	100	200	12,897	12,897	-
Woodworking	2	2	16,000	60,000	(3,264)	8,624	1,477	-	4,580	600	1,750	73,377	79,490	(6,113)
Religious	1	1	11,150	35,075	(3,215)	2,708	7,121	-	748	-	5,750	48,067	15,174	(32,893)
Misc. Public Shows	7	6	14,600	20,975	51	1,446	338	-	5,914	1,450	1,350	31,424	49,067	(17,643)
TOTAL CONVENTIONS/TRADES SHOWS	10	5	1,900	8,050	(1,913)	-	2,884	-	2,908	320	1,465	13,412	22,592	(10,115)
Home & Garden	73	74	49,357	402,225	(29,734)	5,611	38,051	-	94,281	14,520	29,415	552,459	555,087	(2,628)
Wedding Shows	4	7	28,500	50,000	188	8,599	-	-	7,480	2,480	1,300	69,937	57,814	12,123
Sporting Goods & Recreation	3	3	3,500	10,425	(1,915)	200	-	-	1,062	280	2,250	12,308	12,308	-
Women	4	4	22,000	32,000	(1,759)	14,824	422	-	6,035	1,040	1,700	54,352	59,824	(5,472)
Automotive & Trucking	4	4	7,000	15,075	(790)	3,882	-	-	3,825	1,100	120	23,212	23,362	(150)
Craft Show/Sale	4	4	24,000	40,000	6,550	6,471	4,747	-	30,600	900	1,300	90,588	91,261	(673)
Golf Show	3	3	3,600	3,900	(1,200)	706	443	-	850	200	450	6,429	6,883	(454)
Housing	3	3	8,000	15,900	(1,040)	3,294	53	-	3,145	700	400	22,432	22,911	(479)
Science	1	2	1,500	15,000	(1,068)	1,753	-	-	-	2,000	125	20,205	14,760	5,445
Music	2	2	200	6,000	(106)	518	21	-	127	-	1,500	8,060	8,060	-
Motorcycles	2	2	5,000	8,275	599	1,953	-	-	1,360	100	200	12,897	12,897	-
Boat Show	6	6	16,000	60,000	(3,264)	8,624	1,477	-	4,580	600	1,750	73,377	79,490	(6,113)
Supersale	3	3	-	-	-	-	-	-	-	-	-	-	-	-
Toys & Hobbies	2	2	11,150	35,075	(3,215)	2,708	7,121	-	748	-	5,750	48,067	15,174	(32,893)
Misc. Public Shows	7	6	14,600	20,975	51	1,446	338	-	5,914	1,450	1,350	31,424	49,067	(17,643)
TOTAL PUBLIC SHOWS	48	46	132,880	277,654	(24,872)	53,060	9,294	-	84,888	10,450	12,245	425,419	455,720	(30,301)
Testing	4	2	500	3,500	(250)	-	-	-	-	-	-	3,550	4,325	(775)
Banquets over 1,000	3	1	1,500	1,525	(177)	-	1,519	-	170	-	350	3,187	15,235	(12,048)
Banquets under 1,000	6	3	5,100	6,863	(1,696)	15,059	3,276	-	544	-	2,180	26,286	8,239	18,047
Ethnic Festivals	3	3	1,000	9,538	45	118	-	-	-	-	400	10,101	10,101	-
Corporate	4	2	5,000	17,250	(2,637)	-	17,618	-	3,076	300	3,000	39,407	49,264	(9,857)
Seminars/Amway	17	11	11,150	35,075	(3,215)	2,708	7,121	-	748	-	5,750	48,067	42,765	5,302
Dances	1	1	-	-	-	-	-	-	-	-	-	-	2,574	(2,574)
Religious	2	2	1,250	4,700	(847)	-	338	-	2,278	550	700	7,659	7,076	(583)
Seminars & Meetings	32	5	28,300	78,851	(6,877)	17,883	29,792	-	7,816	850	12,350	138,465	39,282	(99,183)
TOTAL OTHER	69	27	208,457	759,730	(41,283)	76,554	75,137	-	166,785	26,350	54,110	1,115,383	1,179,632	(63,249)
TOTAL - EXHIBITION HALL	190	147	-	-	-	-	-	-	-	-	-	-	-	-

SMG - Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2003

		NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET SERVICE INCOME	FOOD AND BEVERAGE INCOME	CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	ELECTRICAL INCOME	EQUIPMENT INCOME	EVENT INCOME FY 2003	EVENT INCOME FY 2002	VARIANCE
DEVOS HALL/WELSH ARENA														
GR BALLET	14	13	20,300	44,550	11,365	1,978	1,160	-	-	-	6,500	65,652	68,727	(3,075)
GR OPERA	6	6	9,400	31,550	6,075	612	-	-	-	-	4,300	42,437	43,902	(1,465)
BROADWAY THEATRE GUILD	48	48	61,000	95,700	40,025	6,378	211	3,000	-	-	6,350	152,252	146,535	5,717
GR SYMPHONY	54	55	95,300	185,250	18,684	3,633	-	-	-	-	19,500	209,467	207,217	2,250
MISC DEVOS EVENTS	44	31	42,050	109,450	23,734	5,128	117	9,950	-	-	9,250	157,629	231,024	(73,395)
MISC WELSH EVENTS	22	5	12,500	25,000	7,575	2,940	-	3,750	-	-	7,000	46,765	103,605	(56,840)
TOTAL - DEVOS HALL/WELSH	188	158	241,550	472,900	107,458	20,663	1,458	16,700	-	-	54,500	673,711	801,010	(127,299)
TOTAL - ALL BUILDINGS	378	305	450,007	1,221,629	65,177	97,219	76,625	18,700	166,783	28,350	108,510	1,790,094	1,980,642	(189,548)

SMG - Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2003

	<u>Budget</u> <u>F/Y 2003</u>	<u>Estimate</u> <u>F/Y 2002</u>	<u>Variance</u>
Salaries	759,857	689,044	(70,813)
Salaries Part - Time	1,086,106	1,082,339	(3,767)
Auto Allowance	21,790	17,782	(4,008)
Payroll Taxes	154,241	151,339	(2,902)
Employee Benefits	98,417	85,633	(12,784)
Pension	33,369	16,627	(16,742)
Union Expenses	75,270	73,839	(1,431)
Allocated Salaries	(1,321,949)	(1,327,266)	(5,317)
Total Labor Costs	907,101	789,337	(117,764)
Contracted Security	60,000	54,112	(5,888)
Meetings	19,370	14,182	(5,188)
Meals & Entertainment	9,510	7,779	(1,731)
Dues & Subscriptions	1,920	607	(1,313)
Professional Fees	20,750	17,360	(3,390)
Employee Training	10,000	8,329	(1,671)
Printing	8,400	5,985	(2,415)
Advertising	10,500	13,458	2,958
Trash Removal	33,600	27,009	(6,591)
Landscaping	-	-	-
Armored Services	2,200	1,924	(276)
Exterminating	4,410	4,911	501
Cleaning	15,000	817	(14,183)
Construction Costs	-	1,800	1,800
Repairs & Maintenance	108,150	112,855	4,705
Snow Removal	-	225	225
Supplies	150,872	124,661	(26,211)
Corporate Travel	4,000	3,127	(873)
Computer Expenses	65,000	37,253	(27,747)
Equipment Rental	4,500	3,401	(1,099)
Bank Service Charges	9,000	12,107	3,107
General Liability Insurance	40,501	45,741	5,240
Property Insurance	30,450	32,450	2,000
Insurance Expense	29,600	24,349	(5,251)
Local Taxes	3,600	-	(3,600)
Printing & Stationary	3,000	1,344	(1,656)
Office Supplies	6,000	7,504	1,504
Postage	2,400	1,245	(1,155)
Parking Expense	18,000	19,254	1,254
Telephone	24,000	22,636	(1,364)
Utilities	516,000	479,372	(36,628)
Management Fee	234,000	225,000	(9,000)
Incentive Fee	-	68,000	68,000
Total Materials & Service	1,444,733	1,378,797	(65,936)
Total Indirect Expenses	2,351,834	2,168,134	(183,700)

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

The management fee is broken up into two categories. The base fee and incentive fee.

The base fee started with the new contract in F/Y 2002 as \$450,000 split evenly between the Grand Center and Van Andel Arena. This fee is subject to an annual increase based on the change in the CPI-U. This budget assumes that the increase will be 4% for fiscal year 2003.

The incentive fee is based on benchmark revenues for each of the two facilities. The Van Andel Arena benchmark is based on the number set in the SMG Managerial Contract which is subject to the same annual increase as stated above for the base fee. The Grand Center benchmark is equal to the budgeted total gross revenue for each fiscal year. The incentive fee based on a percentage of the combined revenues in excess of the combined benchmark. SMG receives 20% of the first \$1 million and 25% above that. In no fiscal year can the incentive fee exceed that of the base fee.

SMG is entitled to the incentive fee as calculated above only if the combined Net Revenue above Expenses for the facilities exceeds the total of \$1,550,000 (Van Andel) and the budgeted figure for the Grand Center.

Below is the calculation for the Base and Incentive Fee's for F/Y 2003 compared to the expected fee for F/Y 2002.

	Arena Budget	Grand Center Budget	Total Budget	FY 2002 Act/Est
Net Revenue above Expenses	1,240,147	(359,972)	880,175	1,375,379
Benchmark	1,550,000	(359,972)	1,190,028	1,043,839
Excess	(309,853)	-	(309,853)	331,540

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	Grand Center Budget	Total Budget	FY 2002 Act/Est
Base Fee	234,000	234,000	468,000	450,000
Incentive Fee				
Revenue	4,462,922	1,991,859	6,454,781	6,574,646
Benchmark Revenue	4,367,910	1,991,859	6,359,769	5,969,444
Projected Revenue Increase	-	-	-	605,202
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	121,040
Total SMG Management Fee	234,000	234,000	468,000	571,040

**SMG - Van Andel / Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Allocation of Shared Salaries
Fiscal Year Ending June 30, 2003**

This page outlines the allocation of personnel who have responsibilities for the Grand Center and VanAndel Arena. In order to maintain two separate sets of accounting records, there needs to be an agreement on the sharing of some common expenses. These allocations have been reviewed as part of the budgeting process and found that no changes in the allocations are necessary and will remain the same as F/Y 2002.

Position	Grand Center Allocation	Arena Allocation
General Manager	50%	50%
Director of Finance	50%	50%
Director of Operations	67%	33%
Director of Marketing	50%	50%
Director of Sales	100%	0%
Director of Event Services	100%	0%
Facility Maintenance Manager	67%	33%
Box Office Manager	30%	70%
Bookkeeper	50%	50%
Human Resources	50%	50%
GM Secretary	33%	67%
Asst. GM Secretary	67%	33%
Receptionist	50%	50%

SMG - Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Capital Budget
Fiscal Year Ending June 30, 2003

Capital Improvements

Building	
Refinish Devos Stage Floor	50,000
Furniture/Furnishings	
Cyclorama for Devos Stagehouse	12,000
Machinery/Equipment	

Total Capital Request:

62,000

The above capital request is a continuation of projects that were approved in the Fiscal Year 2002 budget, however, not completed by the end of the fiscal year.

No new capital expenditures are budgeted for Fiscal Year 2003.



Item VIII

VAN ANDEL ARENA

**FACILITY BUDGET
FISCAL YEAR ENDING JUNE 30, 2003**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

**SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Budget Highlights
Fiscal Year Ending June 30, 2003**

Overview

Fiscal year 2003 will be one of some change for the Van Andel Arena as the Grand Rapids Rampage will be changing their schedule from the normal May - August time frame to the February - May time frame. The Arena continues to perform well nationwide.

Income

The Van Andel Arena is expected to show a decrease in revenue of \$120,000. F/Y 2002 will show the Arena host 25 concerts, which is higher than the 22 - 23 we would expect, as well as, the change in the Rampage schedule making it harder to schedule concerts during what has traditionally been our busiest time for other events (February - March).

The concert shortfall is expected to be made up in part by the return of the Ringling Brothers Circus, and an increase in the Griffins revenue due to the new affiliation with the Detroit Red Wings.

Indirect Expenses

The Van Andel Arena is showing a nominal 2.5% increase in indirect expenses due to inflationary increases.

F/Y 2003 marks the 7th fiscal year for the Arena, and no major changes are seen for the operation of the facility, and expenses should remain constant.

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Budget Highlights
Fiscal Year Ending June 30, 2003

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2003 BUDGET	FY 2002 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	5	6	13	6	14	10	21	15	19	12	3	2	126	133	(7)
ATTENDANCE	43,000	47,700	71,000	38,500	65,000	61,000	107,000	99,500	125,500	83,750	18,500	11,600	772,050	762,570	9,480
DIRECT EVENT INCOME															
RENT	96,452	115,000	202,500	65,539	174,052	116,078	269,591	184,269	266,782	114,017	87,000	32,500	1,723,780	1,820,927	(97,147)
SERVICE INCOME	(9,308)	(1,758)	(54,276)	(24,632)	(66,853)	(35,602)	(129,262)	(98,737)	(119,176)	(48,706)	(15,030)	4,281	(599,057)	(595,052)	(4,005)
TOTAL DIRECT EVENT INCOME	87,144	113,244	148,224	40,907	107,199	80,476	140,329	85,532	147,606	65,311	71,970	36,781	1,124,723	1,225,875	(101,152)
ANCILLARY INCOME															
CONCESSIONS	60,000	83,000	106,250	41,700	82,600	98,900	129,300	100,300	147,700	52,000	37,500	17,500	956,750	1,019,825	(63,075)
CATERING	2,362	5,162	7,700	3,159	6,300	8,314	9,530	7,045	9,574	10,807	1,750	875	72,578	82,053	(9,475)
NOVELTIES	34,860	32,090	22,560	9,030	19,740	18,060	18,060	17,840	31,710	9,030	9,030	9,030	230,840	262,275	(31,435)
VIDEO BOARD	1,628	-	1,280	2,442	3,256	4,884	5,898	8,340	9,154	5,698	200	-	42,780	43,237	(457)
TOTAL ANCILLARY INCOME	98,850	120,252	137,790	56,331	111,896	130,158	162,788	133,325	198,138	77,535	48,480	27,405	1,302,948	1,407,390	(104,442)
TOTAL EVENT INCOME	185,994	233,496	286,014	97,238	219,095	210,634	303,117	218,857	345,744	142,846	120,450	64,186	2,427,671	2,633,265	(205,594)
OTHER OPERATING INCOME															
LUXURY SEATING	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,413	965,000	932,515	32,485
PERMANENT ADVERTISING	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	525,000	517,678	7,324
INTEREST INCOME	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	65,237	24,763
TICKET INCENTIVES	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,413	245,000	216,032	28,968
MISCELLANEOUS INCOME	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	98,197	(8,197)
TOTAL OTHER INCOME	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,576	1,915,000	1,829,657	85,343
ADJUSTED GROSS INCOME	345,578	393,080	445,598	256,822	378,679	370,218	462,701	378,441	505,328	302,430	280,034	223,762	4,342,671	4,462,922	(120,251)
INDIRECT EXPENSES															
EXECUTIVE	7,626	7,626	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,912	166,900	162,892	(4,008)
FINANCE	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,908	13,912	166,900	162,892	(4,008)
MARKETING	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,484	14,476	173,800	173,891	91
OPERATIONS	90,137	90,137	90,137	90,137	90,137	90,137	90,137	90,137	90,137	90,137	90,137	90,145	1,081,652	1,061,946	(19,706)
BOX OFFICE	9,842	9,842	9,842	9,842	9,842	9,842	9,842	9,842	9,842	9,842	9,842	9,838	118,100	111,577	(6,523)
LUXURY SEATING	9,710	9,710	9,710	9,710	9,710	9,710	9,710	9,710	9,710	9,710	9,710	9,720	116,530	107,895	(8,635)
SKYWALK	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,062	36,700	34,954	(1,736)
OVERHEAD	109,776	109,776	109,776	109,776	109,776	109,776	109,776	109,776	109,776	109,776	109,776	109,781	1,317,317	1,289,100	(28,217)
TOTAL INDIRECT EXPENSES	258,541	258,541	258,541	258,541	258,541	258,541	258,541	258,541	258,541	258,541	258,541	258,573	3,102,524	3,031,112	(71,412)
NET FACILITY INCOME (LOSS)	87,037	134,539	187,057	(1,719)	120,138	111,677	204,160	119,900	246,787	43,889	21,493	(34,811)	1,240,147	1,431,810	(191,663)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention / Arena Authority
Event Summary
Fiscal Year Ending June 30, 2003

EVENT TYPE	2002 NO of Events	2003 NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Video Board Income	EVENT INCOME FY 2003	EVENT INCOME FY 2002	VARIANCE
Griffins Preseason	40	40	240,000	340,520	(311,000)	275,000	29,760	-	32,560	387,840	319,797	48,043
Griffins Regular Season	2	-	-	-	-	-	-	-	-	-	18,896	(18,896)
Griffins Playoffs	1	1	8,000	8,226	(9,038)	-	-	-	814	2	201	(199)
Rampage Preseason	9	9	72,000	74,034	(81,346)	-	-	-	7,326	14	8,383	(8,369)
Rampage Regular Season	3	3	-	-	-	-	-	-	-	-	4,458	(4,458)
Rampage Playoffs	1	1	10,000	-	1,894	25,000	3,500	-	780	31,174	27,736	3,438
NHL Preseason	1	1	-	-	-	-	-	-	-	-	24,072	(24,072)
NBA Preseason	1	1	2,500	5,000	1,604	2,500	175	-	-	9,279	4,087	5,192
Professional Volleyball	1	1	10,000	30,000	1,975	25,000	612	16,800	-	74,387	65,447	8,940
Professional Wrestling	1	1	4,000	7,500	1,980	7,500	350	-	-	17,330	16,658	672
Women's College Basketball	2	2	8,000	10,000	3,303	8,000	787	-	-	22,090	22,000	90
College Basketball Tournaments	62	56	364,500	475,280	(390,628)	344,000	35,184	16,800	41,480	522,116	511,735	10,381
TOTAL SPORTS												
Ringling Brothers	8	8	30,000	95,000	(73,548)	30,000	1,400	-	-	52,852	20,346	604
Harlem Globetrotters	1	1	5,500	18,000	(7,780)	8,000	420	2,310	-	20,950	38,978	18,584
Disney on Ice	8	8	28,000	90,000	(58,750)	25,000	1,312	-	-	57,562	47,764	5,301
Champions On Ice	1	1	8,000	35,000	6,145	8,000	1,400	2,520	-	53,065	51,653	(5,673)
Stars on Ice	1	1	6,000	30,000	4,788	6,000	612	4,620	-	46,020	48,617	14,289
Dragon Tails	8	8	16,000	80,000	(45,850)	12,000	787	1,680	-	26,457	26,457	-
Grenadiers	1	1	4,000	20,000	2,232	3,000	175	1,050	-	48,495	44,406	4,089
Bulls and Broncos Rodeo	2	2	12,000	47,000	(25,200)	24,000	385	2,310	-	51,366	50,271	1,095
Arenacross	4	3	15,000	42,000	(17,849)	22,500	315	4,200	200	66,771	59,692	(2,921)
Freestyle Motocross	2	2	16,000	42,000	(17,849)	25,000	700	6,720	200	64,648	83,206	(10,985)
Professional Bull Riders	2	2	10,000	62,000	(18,427)	20,000	875	-	200	72,221	83,206	(10,985)
Monster Trucks	3	3	21,000	55,000	(22,825)	31,500	787	7,560	200	599,024	495,132	103,892
TOTAL FAMILY SHOWS	32	38	171,500	616,000	(274,914)	215,000	9,168	32,970	800	948,638	1,256,249	(307,611)
Rock	22	17	144,500	425,000	57,753	297,500	14,875	153,510	-	65,802	124,284	(68,492)
Country	2	1	8,500	25,000	3,397	17,500	875	9,030	-	55,802	43,632	12,170
Christian	1	1	8,500	25,000	3,397	17,500	875	9,030	-	1,060,242	1,424,175	(363,933)
TOTAL CONCERTS	25	19	161,500	475,000	64,547	332,500	16,625	171,570	-	17,908	12,444	5,464
College Graduation	2	2	11,600	15,000	2,471	-	437	-	-	53,198	85,652	(32,454)
Promise Keepers	2	2	20,000	35,000	(13,552)	25,000	1,760	5,000	-	92,876	61,702	(31,174)
Religious	5	4	39,000	65,000	12,176	10,000	700	4,500	500	40,817	958	(40,869)
Miscellaneous Banquets	4	2	4,750	15,000	3,292	15,000	7,525	-	-	12,892	11,934	(858)
Great Lakes Irish Music Festival	1	1	2,200	5,000	1,605	5,000	787	-	-	23,371	9,171	(14,200)
Amway Seminar	1	1	5,000	15,000	1,771	6,250	350	-	-	5,227	32,296	(27,069)
Rocky Horror Picture Show	1	1	2,000	7,500	(5,825)	3,500	52	-	-	-	32,296	(32,296)
Time Out for Women	1	1	-	-	-	-	-	-	-	246,289	202,223	44,066
TOTAL MISCELLANEOUS	14	13	84,550	157,500	1,938	65,250	11,601	9,500	500	2,427,671	2,633,265	(205,594)
GRAND TOTAL	133	126	772,050	1,723,780	(599,057)	956,750	72,578	230,840	42,780	2,633,265	2,633,265	(205,594)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2003

	<u>Budget</u> <u>F/Y 2003</u>	<u>Estimate</u> <u>F/Y 2002</u>	<u>Variance</u>
Salaries	633,100	589,765	(43,335)
Salaries Part - Time	876,921	863,873	(13,048)
Auto Allowance	9,725	8,997	(728)
Payroll Taxes	152,030	144,741	(7,289)
Employee Benefits	127,350	105,528	(21,822)
Pension	44,250	38,650	(5,600)
Union Expenses	52,731	47,102	(5,629)
Allocated Salaries	(860,000)	(824,520)	35,480
Total Labor Costs	1,036,107	974,136	(61,971)
Contracted Security	205,000	196,009	(8,991)
Meetings	13,200	10,741	(2,459)
Meals & Entertainment	5,100	9,264	4,164
Dues & Subscriptions	1,300	1,250	(50)
Professional Fees	26,000	23,240	(2,760)
Employee Training	12,000	9,335	(2,665)
Printing	30,000	24,785	(5,215)
Advertising	36,000	38,906	2,906
Trash Removal	15,000	16,340	1,340
Landscaping	3,500	4,748	1,248
Armored Services	3,600	4,048	448
Exterminating	4,000	2,971	(1,029)
Cleaning	31,400	27,955	(3,445)
Repairs & Maintenance	128,000	122,456	(5,544)
Snow Removal	0	-	-
Supplies	181,100	187,456	6,356
Corporate Travel	7,500	2,512	(4,988)
Computer Expenses	65,000	70,870	5,870
Marketing Fund	45,000	40,708	(4,292)
Equipment Rental	15,600	17,379	1,779
Bank Service Charges	12,000	13,908	1,908
General Liability Insurance	69,485	68,631	(854)
Property Insurance	31,000	24,093	(6,907)
Insurance Expense	43,132	38,417	(4,715)
Local Taxes	3,600	92	(3,508)
Printing & Stationary	11,000	7,005	(3,995)
Office Supplies	12,000	17,105	5,105
Postage	12,000	7,531	(4,469)
Parking Expense	19,100	22,112	3,012
Telephone	55,000	54,423	(577)
Utilities	774,800	745,698	(29,102)
Management Fee	234,000	225,000	(9,000)
Incentive Fee		52,000	52,000
Amortization	0	7,649	7,649
Allocated Expenses	(39,000)	(37,661)	1,339
Total Materials & Service	2,066,417	2,056,976	(9,441)
Total Indirect Expenses	3,102,524	3,031,112	(71,412)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Capital Budget
Fiscal Year Ending June 30, 2003

Capital Improvements

Building

Lobby Duct Painting	35,000	
Skywalk Ice Melt System	42,000	
Terazzo Floor Repair	38,000	
Banquet Room Refurbishment	25,000	140,000

Furniture/Furnishings

Hydraulic Seating Section	70,000	70,000
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Machinery/Equipment

Hockey Glass	20,000	
Floor Maintenance Equipment	18,500	
Security Gate System	120,200	158,700

Total Capital Request:

368,700

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

The management fee is broken up into two categories. The base fee and incentive fee.

The base fee started with the new contract in F/Y 2002 as \$450,000 split evenly between the Grand Center and Van Andel Arena. This fee is subject to an annual increase based on the change in the CPI-U. This budget assumes that the increase will be 4% for fiscal year 2003.

The incentive fee is based on benchmark revenues for each of the two facilities. The Van Andel Arena benchmark is based on the number set in the SMG Managerial Contract which is subject of the same annual increase as stated above for the base fee. The Grand Center benchmark is equal to the budgeted total gross revenue for each fiscal year. The incentive fee based on a percentage of the combined revenues in excess of the combined benchmark. SMG receives 20% of the first \$1 million and 25% above that. In no fiscal year can the incentive fee exceed that of the base fee.

SMG is entitled to the incentive fee as calculated above only if the combined Net Revenue above Expenses for the facilities exceeds the total of \$1,550,000 (Van Andel) and the budgeted figure for the Grand Center.

Below is the calculation for the Base and Incentive Fee's for F/Y 2003 compared to the expected fee for F/Y 2002.

	Arena Budget	Grand Center Budget	Total Budget	FY 2002 Act/Est
Net Revenue above Expenses	1,240,147	(359,972)	880,175	1,375,379
Benchmark	1,550,000	(359,972)	1,190,028	1,043,839
Excess	(309,853)	-	(309,853)	331,540

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	Grand Center Budget	Total Budget	FY 2002 Act/Est
Base Fee	234,000	234,000	468,000	450,000
Incentive Fee				
Revenue	4,462,922	1,991,859	6,454,781	6,574,646
Benchmark Revenue	4,367,910	1,991,859	6,359,769	5,969,444
Projected Revenue Increase	-	-	-	605,202
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	121,040
Total SMG Management Fee	234,000	234,000	468,000	571,040

**SMG - Van Andel / Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Allocation of Shared Salaries
Fiscal Year Ending June 30, 2003**

This page outlines the allocation of personnel who have responsibilities for the Grand Center and VanAndel Arena. In order to maintain two separate sets of accounting records, there needs to be an agreement on the sharing of some common expenses. These allocations have been reviewed as part of the budgeting process and found that no changes in the allocations are necessary and will remain the same as F/Y 2002.


Position	Grand Center Allocation	Arena Allocation
General Manager	50%	50%
Director of Finance	50%	50%
Director of Operations	67%	33%
Director of Marketing	50%	50%
Director of Sales	100%	0%
Director of Event Services	100%	0%
Facility Maintenance Manager	67%	33%
Box Office Manager	30%	70%
Bookkeeper	50%	50%
Human Resources	50%	50%
GM Secretary	33%	67%
Asst. GM Secretary	67%	33%
Receptionist	50%	50%

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 13, 2002

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

FROM: Robert J. White 
Assistant City Manager - Fiscal Services

SUBJECT: **FY 2002 Revised Budget**
FY 2003 Proposed Budget – Updated

Immediately preceding this item on the Finance Committee agenda you will find the FY 2003 "Facility Operation" budget submissions for the Grand Center and the Van Andel Arena as prepared by SMG facility managers.

The attached FY 2002 Revised Operating Fund Budget and the FY 2003 Updated Proposed Operating Budget consolidate Grand Center and Van Andel Arena financial activities with those of the Authority's administrative and capital replacement reserve accounts for the purpose of providing a financial perspective for overall Authority operations.

Also attached are the FY2002 Revised Construction Fund Budget and the FY 2003 Proposed Construction Fund Budget.

A preliminary presentation of this material was made to both the Finance Committee and the full Board during regularly scheduled meetings in May, 2002. Consideration is requested for a final review of the Operating and Construction budgets and adoption of same.

Attachments

cc: Jana M. Wallace

caa2ndbudget.doc

**GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY
OPERATING FUND
FY 2002 REVISED BUDGET AND FY 2003 PROPOSED BUDGET
UPDATED JUNE 12, 2002**

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	Administration and Facilities Operations			Capital Replacement		
	FY 2002 Original Budget	FY 2002 Revised Budget	FY 2003 Proposed Budget	FY 2002 Original Budget	FY 2002 Revised Budget	FY 2003 Proposed Budget
REVENUES						
Facility Operations	\$ 1,695,443	\$ 2,180,936 ³	\$ 2,170,975	\$ 237,000	\$ 419,071 ³	\$ -
Parking revenues	-	187,449 ³	107,772 ³	-	-	-
Interest on Investments	100,000	42,440	34,880	40,000	30,560	25,120
Capital Replacement Reserve Trfr	570,357	-	184,418 ³	(570,357)	-	(184,418)
TOTAL REVENUES	2,365,800	2,410,825	2,498,045	(293,357)	449,631	(159,298)
EXPENDITURES						
Accounting / Auditing Services	20,000	24,500	25,635	-	-	-
Insurance - Property and Liability	15,000	25,000 ³	33,050 ³	-	-	-
Legal Services	55,000	30,500	33,550	-	-	-
Other Contractual Services	8,150	35,000	43,000	-	-	-
Meeting Expense	650	850	890	-	-	-
Supplies	1,200	1,325	1,350	-	-	-
Transfer to Construction Fund	1,000,000	1,000,000	1,000,000	-	-	-
Sub-total Services	1,100,000	1,117,175	1,137,475	-	-	-
Electricity	611,000	702,030	727,000	-	-	-
Steam	527,000	449,284	471,000	-	-	-
Water and Sewer	67,800	73,756	92,800	-	-	-
Sub-total Utilities	1,205,800	1,225,070	1,290,800	-	-	-
Building Additions & Improvements	-	-	-	225,000	286,460	380,200
Facility Equipment Acquisition	-	-	-	12,000	170,100	50,500
Sub-total Capital Replacement	-	-	-	237,000	456,560	430,700
Employee Wages	50,000	50,230	52,240	-	-	-
Employee Benefits	10,000	18,350	17,530 ³	-	-	-
Sub-total Payroll	60,000	68,580	69,770	-	-	-
TOTAL EXPENDITURES¹	2,365,800	2,410,825	2,498,045	237,000	456,560	430,700
EXCESS / (DEFICIT) OF FUNDS	\$ -	\$ -	\$ -	\$ (530,357)	\$ (6,929)	\$ (589,998)
FUND BALANCE - beg. of year	3,000,000	3,727,023	3,000,000	1,155,636	1,053,603	1,773,697
Transfer Excess Reserve ²	-	(727,023)	-	-	727,023	-
FUND BALANCE - end of year	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 625,279</u>	<u>\$ 1,773,697</u>	<u>\$ 1,183,699</u>

Note 1: Expenditures do not include an allowance of \$320,055 in FY 2002 and \$5,000 in FY 2003 for depreciation expense.

Note 2: Balances in excess of \$3,000,000 minimum required Operating Reserve are transferred to Capital Replacement Reserve

Note 3: Estimate has been adjusted since the original budget presentation in May 2002.

**GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY
CONSTRUCTION FUND
FY 2002 REVISED BUDGET AND FY 2003 PROPOSED BUDGET
JUNE 12, 2002**

DRAFT

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	Monroe Ave Relocation			Convention Center Construction		
	FY 2002 Original Budget	FY 2002 Revised Budget	FY 2003 Proposed Budget	FY 2002 Original Budget	FY 2002 Revised Budget	FY 2003 Proposed Budget
REVENUES						
State of Michigan ¹	\$ 2,630,697	\$ 467,568	\$ -	\$ 27,369,303	\$ 9,609,672	\$ 2,138,974
CCBA Capital Contributions	-	428,486	3,071,036	-	32,373,513	52,381,302
Transfer from Operating Fund	-	-	-	1,000,000	1,000,000	1,000,000
Miscellaneous Revenue	-	23,153	-	-	-	-
Interest on Investments	54,830	65,000	55,000	445,170	205,209	698,455
TOTAL REVENUES	2,685,527	984,207	3,126,036	28,814,473	43,188,394	56,218,731
EXPENDITURES						
Architectural / Engineering Services	490,000	549,767	1,744,046	6,000,000	4,652,715	4,000,000
Construction - Material Testing	-	-	-	400,000	591,322	600,000
Construction - GMP Contractor	2,175,527	357,440	1,133,925	21,425,973	35,363,332	47,063,549
Sub-total Contractors	2,665,527	907,207	2,877,971	27,825,973	40,607,369	51,663,549
Bank Fees	-	-	-	-	(306)	-
Insurance - Property and Liability	-	-	-	40,000	42,670	53,338
Legal Services	15,000	2,000	10,000	50,000	8,000	10,000
Owner's Representatives	-	-	-	285,000	230,553	270,870
Other Contractual Services	5,000	75,000	238,065	600,000	2,245,561	4,215,724
Sub-total Services	20,000	77,000	248,065	975,000	2,526,478	4,549,932
Electricity	-	-	-	-	38,376	-
Steam	-	-	-	-	11,877	-
Water and Sewer	-	-	-	-	1,869	-
Sub-total Utilities	-	-	-	-	52,122	-
Advertising / Promotion / Publicity	-	-	-	5,000	-	2,500
Supplies	-	-	-	1,000	500	500
Postage / Express	-	-	-	500	100	150
Printing and Binding	-	-	-	5,000	-	-
Telephone	-	-	-	2,000	1,825	2,100
Sub-total Supplies/Services	-	-	-	13,500	2,425	5,250
TOTAL EXPENDITURES	2,685,527	984,207	3,126,036	28,814,473	43,188,394	56,218,731
EXCESS / (DEFICIT) OF FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE - beg. of year	-	337,230	337,230	-	422,166	422,166
FUND BALANCE - end of year	\$ -	\$ 337,230	\$ 337,230	\$ -	\$ 422,166	\$ 422,166


Note 1: Revenues are earned as expended

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 12, 2002

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

FROM: Robert J. White 
Assistant City Manager – Fiscal Services

SUBJECT: Extension of Bookkeeping Services Agreement With Beene Garter LLP

You may recall that Beene Garter was approved as the Authority's bookkeeper for a one-year term expiring June 30, 2002. Attached you will find a letter from Beene Garter dated June 12, 2002 wherein a proposal is presented for extension of the existing bookkeeping service agreement through an additional one-year period ending June 30, 2003. The hourly rates quoted herein increase generally by 3% over the current year authorization.

In addition to the letter from Beene Garter, you will also find attached immediately following a tabulation of monthly bookkeeping service invoices from inception through the period ending May 20, 2002.

I would recommend extension of the Authority's agreement as proposed in the letter from Beene Garter.

Attachments



June 12, 2002

Mr. Robert White
Grand Rapids-Kent County
Convention/Arena Authority
Fourth Floor
300 Monroe, NW
Grand Rapids, MI 49503

Dear Bob:

Thank you for this opportunity to provide a proposal for continued professional services to Grand Rapids-Kent County Convention/Arena Authority (CAA). We hope that this proposal conveys the level of energy, technical expertise and commitment that our staff will bring to you as your business consultants.

Extension of Existing Services

Accounts payable preparation, bank reconciliations and monthly compiled cash basis financial statements will continue to be handled by our Client Accounting Services department at the following hourly rates:

Staff level (Julie Nino)	\$	78
Senior Manager level (Roxanne Page)	\$	176*
Partner level (Peggy Bishop)	\$	231**
Clerical	\$	66***

* Anticipated monthly senior manager time – 15 to 30 minutes

** Anticipated monthly partner time – 15 minutes

*** Anticipated monthly clerical time – 30 minutes

Several months ago we assigned Roxanne Page as the reviewer on your account. We felt her governmental experience would best serve you. Her billing rate is higher than the previous person assigned. Since her time is minimal, this change is anticipated to result in additional fees of less than \$50 per month.

The monthly interim cash basis statements do not include the activity of the Van Andel Arena or the Grand Center.

Mr. Robert White
Grand Rapids-Kent County
Convention/Arena Authority
June 12, 2002
Page 2

At the end of the year, the CAA financial statements will be converted from the cash basis to the accrual basis of accounting. In addition, we will maintain a general ledger at year-end that will include activity of the Van Andel Arena and the Grand Center.

We are also available to assist in certain year-end audit preparation by providing whatever client assistance is required by your auditor.

We value the working relationship that we have developed with you, and appreciate the assistance we have received. I want to emphasize the importance our firm will place on continuing service to CAA and to affirm the commitment of our people who will work with you.

We are confident you will agree that Beene Garter LLP has the desire and resources to deliver the level of service you require. Please contact us at 235-5200 if we may answer any questions or if you need additional information on which to base your decision.

Very truly yours,

A handwritten signature in blue ink that reads "Peggy Bishop". The signature is fluid and cursive, with the first name "Peggy" and last name "Bishop" clearly distinguishable.

Beene Garter LLP
Your Partner in Service to the Community

GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

Analysis of Payments to Beene Garter LLP

Prepared June 10, 2002


Date Paid	Amount	Description
08/14/00	1,897.00	Bookkeeping services for period ending June 30, 2000
08/28/00	194.00	Bookkeeping services for period ending July 31, 2000
09/28/00	1,133.00	Bookkeeping services for p/e September 22, 2000 (2 mths)
10/27/00	638.00	Bookkeeping services for period ending October 11, 2000
11/28/00	853.00	Bookkeeping services for period ending November 9, 2000
12/28/00	1,066.00	Bookkeeping services for period ending December 17, 2000
01/29/01	638.00	Bookkeeping services for period ending January 16, 2001
02/28/01	776.00	Bookkeeping services for period ending February 15, 2001
04/13/01	566.00	Bookkeeping services for period ending March 19, 2001
05/14/01	570.00	Bookkeeping services for period ended April 24, 2001
06/14/01	825.00	Bookkeeping services for period ended May 23, 2001
07/13/01	682.00	Bookkeeping services for period ended June 21, 2001
07/30/01	474.00	Bookkeeping services for period ended July 19, 2001
08/28/01	1,428.00	Bookkeeping services for period ended August 16, 2001
09/28/01	838.00	Bookkeeping services for period ended September 18, 2001
10/29/01	586.00	Bookkeeping services for period ended October 16, 2001
12/14/01	639.00	Bookkeeping services for period ending November 20, 2001
12/28/01	591.00	Bookkeeping services for period ended December 17, 2001
01/28/02	1,087.00	Bookkeeping services for period ended January 21, 2002
03/14/02	624.00	Bookkeeping services for period ended February 15, 2002
03/28/02	632.00	Bookkeeping services for period ended March 18, 2002
04/29/02	891.00	Bookkeeping services for period ended April 17, 2002
06/14/02	755.00	Bookkeeping services for period ended May 20, 2002
	\$ 18,383.00	TOTAL CHARGES FOR 06/20/00 THRU 05/20/02
	\$ 799.26	AVERAGE MONTHLY BILLING DURING THE PERIOD
	\$ 819.83	AVERAGE FY01 MONTHLY BILLING
	\$ 776.82	AVERAGE FY02 MONTHLY BILLING

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 14, 2002

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

FROM: Robert J. White 
Assistant City Manager - Fiscal Services

SUBJECT: Agreement to provide payroll services

Attached you will find a letter from Brian Ebel of Beene Garter LLP in which a proposal is presented for extension of the existing payroll services agreement. The proposal includes a modest increase over the previous year's basic payroll and W-2 processing fee schedules.

I would recommend extension of the payroll services agreement as proposed in the letter from Beene Garter.

Attachment

cc: Jana M. Wallace



June 13, 2002

Jana Wallace
Grand Rapids Kent County Convention Arena Authority
300 Monroe NW Fourth Floor
Grand Rapids, MI 49503

Thank you for your interest in continuing with Beene Garter's payroll services. Below is a quotation estimating your annual fee increase which will become effective October 2002. Thanks for processing payroll with Beene Garter LLP Payroll Services.

Description of Service	Bi-Weekly	Base Charge	Per Check	Per Payroll	Per Year
Basic Payroll	1	\$ 25.55	\$ 2.05	\$ 27.60	\$ 717.60
Tax Filing		32.00			384.00
Delivery - Mail		3.00		3.00	78.00
Estimated Annual Fees					\$ 1179.60

Our fee for basic payroll includes the following reports.

Per Payroll
Transmittal Report
Payroll Check Register
Payroll Checks
Departmental Report
Employee Master Update
Monthly General Ledger Entries

Quarterly
End of Quarter Transaction Summary
Form 941
SUI Deposit Information
940 Information

Monthly
Employee Master Listing
End of Month Transaction Summary

Annually
Form 940
W-2 Proof List

Additional Fees:

W-2 Processing is a base fee of \$95.00 plus \$1.90 per W-2's processed.

New Hire Reporting \$2.80 per new hire.

If you have any questions or need additional information, contact me at 2355200. We look forward to working with you in the near future.

Brian Ebel—Sales Manager, Beene Garter Payroll Services

VAN ANDEL ARENA WEEKLY

Item XI

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Wed, Jun 19	Rampage	MS	Arena	6:00 PM 6P-6:20P 6:20 PM 7:40 PM 8:00 PM	Doors open...event begins Team practice Patrons invited on field Bar-B-Que line cut-off Event ends
	CAA	JS	Banquetg A	2P-5P	Operations Committee Meeting
Thur, Jun 20	Available				
Fri, Jun 21	The Eagles	AH	Arena	7:30 AM 8:00 AM 2:00 PM 7:00 PM 8:15P-9:15P 9:15P-9:40P 9:40P-10:55P 10:30 PM	Riggers marking floor Load-in Chair set Doors Show Intermission Show Load-out
	Available				
Sat, Jun 22	Available				
Sun, Jun 23	Rampage vs Georgia	MS	Arena	12:00 PM 1:00 PM 2P-4:30P	Street party Doors Football game
	Hush Puppies	JS	Banquet A	4:30P-6:30P	Post-game banquet
	Rampage	JS	Banquet B/C	4P-6P	Post-game reception
	Rampage	JS	Banquet D	1P-2P	Blitz Kidz Club
Mon, Jun 24	Available				
Tue, Jun 25	Available				
Wed, Jun 26	Tom Petty	MS	Arena	8:00 AM	Load-in
	Tom Petty	MS	Banquet C/D	6A-8P	Crew catering
Thur, Jun 27	Tom Petty	MS	Arena	7:30 PM	Performance
	Tom Petty	MS	Banquet C/D	6A-8P	Crew catering
Fri, Jun 28	Available				
Sat, Jun 29	Available				
Sun, Jun 30	Available				
Mon, Jul 1	Available				
Tue, Jul 2	Korn	MS	Arena	7:30 PM	Performance
	Korn	JS	Banquet C/D	6A-8P	Crew catering
Wed, Jul 3	Available				
Thur, Jul 4	4th of July Holiday (Closed)				
Fri, Jul 5	Available				
Sat, Jul 6	Rampage vs Chicago	AH	Arena	4:00 PM 6:00 PM 6:30 PM 7:30P-10P	Street party set-up Street party Doors Football game
	Available				
Sun, Jul 7	Available				
Mon, Jul 8	Available				
Tue, Jul 9	Available				
Wed, Jul 10	Available				
Thur, Jul 11	Available				
Fri, Jul 12	Cher	AH	Arena	7:30 PM	Performance
Sat, Jul 13	Available				
Sun, Jul 14	Available				
Mon, Jul 15	Available				
Tue, Jul 16	Available				
Wed, Jul 17	Available				
Thur, Jul 18	Available				
Fri, Jul 19	Available				
Sat, Jul 20	Available				
Sun, Jul 21	Available				

GRAND CENTER WEEKLY - YEAR 2002

DATE	EVENT	ROOM	TIME	FUNCTION	EC	CONSTRUCTION
WED. JUNE 19						
THURS. JUNE 20	HOWARD AMWAY	GH/	NOON-5P	MOVE IN	MC	
FRI. JUNE 21	HOWARD AMWAY	GH/	3P-5P 7P 8P-MID	MEETING DOORS GENERAL SESSION	MC	
	NCS PEARSON DOT/TSA	MR/		MOVE IN		
SAT. JUNE 22	HOWARD AMWAY	GH/	9:30A-10:15A 10:30A-11:15A NOON 12:30P-5P 7P 7:30P-1A	METTING MEETING DOORS GENERAL SESSION DOORS GENERAL SESSION	MC	
	NCS PEARSON DOT/TSA	MR, BR/		MOVE IN		
SUN. JUNE 23	HOWARD AMWAY	GH/	8A-10A 11:30A NOON-4P 4P	WORSHIP SERVICE DOORS GENERAL SESSION MOVE OUT	MC	
	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MOVE IN	MF	
MON. JUNE 24	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MOVE IN	MF	
TUES. JUNE 25	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
WED. JUNE 26	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
THURS. JUNE 27	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
FRI. JUNE 28	AMERICAN LEGION	1/3 GH/	10A-3P 3P-5:30P	MOVE IN SESSION	MF	
	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
SAT. JUNE 29	AMERICAN LEGION	1/3 GH/ OUTSIDE/	9A-2P 3P	SESSION PARADE	MF	
	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
SUN. JUNE 30	AMERICAN LEGION	1/3 GH/	10A-1P 1P-4P	SESSION MOVE OUT	MF	
	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
MON. JULY 1	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
TUES. JULY 2	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
WED. JULY 3	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
THURS. JULY 4	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
FRI. JULY 5	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
SAT. JULY 6						
SUN. JULY 7						
MON. JULY 8	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
TUES. JULY 9	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
WED. JULY 10	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
THURS. JULY 11	INTERNATIONAL ORDER OF JOB'S DAUGHTERS	1/3 GH/	9A-1P 7P-10P	MOVE IN MEETING	MF	
	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	
FRI. JULY 12	CITY MEETING	BR/	8A-NOON	MEETING	RS	
	INTERNATIONAL ORDER OF JOB'S DAUGHTERS	1/3 GH/	9P-12:30P 7P-9:30P	MEETING MEETING	MF	
	NCS PEARSON DOT/TSA	MR, BR, WA, KR, BL/		MEETING	MF	

DATE	EVENT	ROOM	TIME	FUNCTION	EC	CONSTRUCTION
SAT. JULY 13	INTERNATIONAL ORDER OF JOB'S DAUGHTERS	1/3 GH/	1P-2:30P 6:30P-10P	MEETING MEETING MOVE OUT	MF	
	AZTEC SOULS TOUR	W/J	8A 6:30P 7:30P-MID MID-2A	MOVE IN DOORS PERFORMANCE MOVE OUT	MC	
SUN. JULY 14						
MON. JULY 15						
TUES. JULY 16						
WED. JULY 17						
THURS. JULY 18						
FRI. JULY 19						
SAT. JULY 20	MI FIRE CHIEFS	GH, W/J	7A-5P	MOVE IN	MC	
SUN. JULY 21	MI FIRE CHIEFS	GH, W/J	7A-9A 11A-7P	MOVE IN EXHIBITS	MC	
MON. JULY 22	MI FIRE CHIEFS	GH, W/J	NOON-4P 4P-MID	EXHIBITS MOVE OUT	MC	
TUES. JULY 23						
WED. JULY 24						
THURS. JULY 25	YAGER FAMILY REUNION	WA, 1/3 GH, DV/ KR, KR, BL, MR/		MOVE IN MEETING	MF	
FRI. JULY 26	YAGER FAMILY REUNION	WA, 1/3 GH, DV/ KR, BL, MR/	6:30P-MID	MEETING	MF	
SAT. JULY 27	YAGER FAMILY REUNION	WA, 1/3 GH, DV/ KR, KR, BL, MR/	2P-1A	MEETING	MF	
SUN. JULY 28	YAGER FAMILY REUNION	WA, 1/3 GH, DV/ KR, KR, BL, MR/	10A-5P 5P-9P	MEETING MOVE OUT	MF	
MON. JULY 29						
TUES. JULY 30						
WED. JULY 31						